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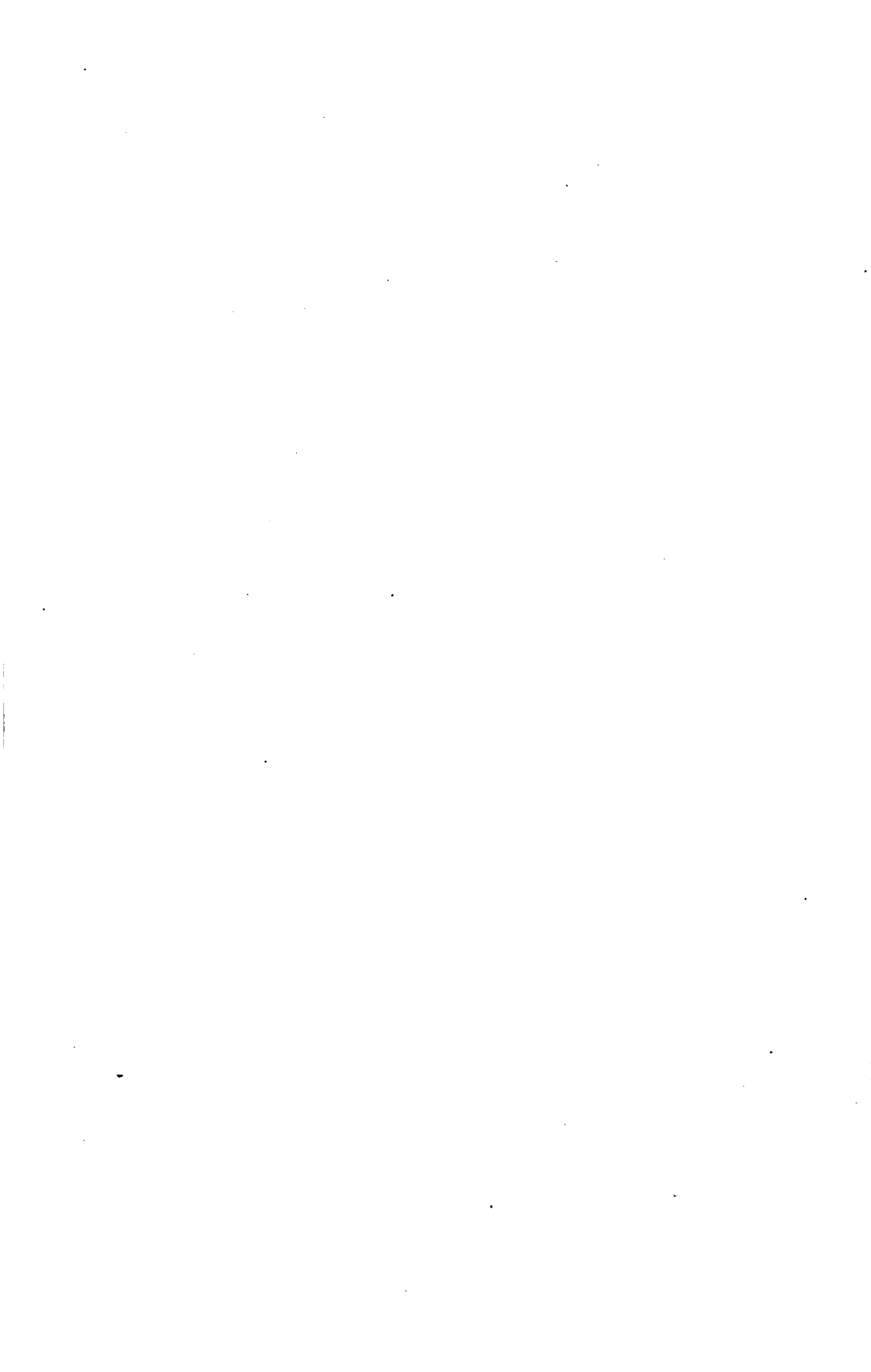
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Spectator
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The Spectator Company, Inc.

FIRE INSURANCE LAWS, TAXES AND FEES



CONTAINING A DIGEST OF THE STATUTORY REQUIREMENTS IN THE
UNITED STATES AND CANADA RELATING TO FIRE INSUR-
ANCE COMPANIES AND AGENTS, WITH MANY
QUOTATIONS FROM THE STATUTES

ALSO A COMPILATION OF
COUNTY AND MUNICIPAL TAXES AND FEES

REVISED TO AUGUST 1, 1916.

Price \$5.00 per copy.

1916

THE SPECTATOR COMPANY

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Fire Insurance Laws, Taxes and Fees.

The Spectator Company, New York, has just issued the sixteenth annual edition of "Fire Insurance Laws, Taxes and Fees." This work, which is published annually after the adjournment of the various State and Territorial Legislatures, has been carefully revised to date. Considerable new information has been incorporated in it, and the matter relating to each State and Territory has been submitted to the respective insurance officials thereof for approval and correction. This useful publication embraces in quickly available form a synopsis of and quotations from the statutes concerning some thirty-five general topics, the matter relating to each State being brought together and the subjects alphabetically arranged. The subjects covered include Agents Defined, Agents' Licenses, Annual Statements, Anti-Coinsurance, Anti-Compact, Anti-Discrimination, Attorney, Cancellation of Policy, Capital Required, Commissions Required to be Paid to Residents, County Taxes and Fees, Deposits Required of Foreign Companies, Deposits Required of Other State Companies, Domestic Companies, Examinations, Fees, Fire Department Tax, Fire Marshal, Foreign Companies, Home Office Statements, Impairment, Investments Prescribed, Licensed Brokers, Limit on a Single Risk, Lloyds, Municipal Taxes and Fees, Mutual Companies, Preliminary Documents, Publication, Rate Schedules to be Filed, Reciprocal Law, Reinsurance in Unauthorized Companies Prohibited, Reinsurance Reserve, Resident Agents, Semi-Annual Statements, Standard Policy, Taxes, Tax Statements and Valued Policy. The book contains 522 pages, is handsomely bound in law sheep and sells at \$5 per copy postpaid. It will be found of practical use to all progressive fire insurance officials, general agents and field men. *F. of C. 92-13 9-12-16*

PREFACE.

To aid company managers, general and special agents and accountants in quickly ascertaining the essential features of the laws of the various States and Territories relating to fire insurance companies and agents, and the conditions under which they may transact business, without their being obliged to delve into the voluminous, scattered and too frequently unindexed laws of the respective States and to help them to obtain the information in the most compact, readily available and convenient form possible, the publishers undertook, in 1901, a systematic compilation of the statutes relating to some thirty topics of general interest, copiously indexed, and issued the result under the title of "Fire Insurance Laws, Taxes and Fees." That the work met a recognized need was manifest, and the subsequent annual volumes, improvements on the first, were accorded a cordial welcome by the underwriting fraternity. Following the adjournment of the various State and Territorial Legislatures, we present the sixteenth annual volume, and trust that it will be even more serviceable to fire underwriters than its predecessors.

The successive annual volumes have grown in size, because of the considerable number of new laws and amendments enacted from year to year by the legislative bodies of the various States and Territories, as well as the insertion of additional information. The volume of legislation has been exceptionally heavy in recent years, so that this book is now materially larger than in earlier editions.

The statutory requirements vary so much in the various States that, if the underwriter can have their tenor conveyed to his mind in a few words, there is a saving of time and trouble. There are many of the statutes which are so free from the possibility of misconstruction that they can be digested with little likelihood of deviation from accuracy. These have been briefed down in

this book to their lowest terms. There are other provisions which present more difficulty, and perhaps may carry different meanings to different minds. These it has been our purpose to quote *in extenso*. Thus the general scope of the work is such as to embrace the advantages of both a digest and a reproduction of the statutes.

A feature of this work which is unique is the codification of the system of county and municipal taxes and fees. This, we believe, has never been undertaken for the whole country in any other publication, and the information given therein is apt to be referred to every day. It has been obtained from thoroughly trustworthy sources, and every effort has been made to insure accuracy. Cities not imposing any tax or fee are, of course, omitted.

It should be said that the plan of this book does not necessarily include mention of every subject touched upon in the statutes pertaining to fire insurance. There are points which are so axiomatic or so unimportant that they are not deemed essential to the substantial completeness of a work of this character, as, for instance, the fact that companies must secure licenses before beginning operations in a State, and that real estate is usually taxed locally.

The publishers feel entirely warranted in stating that no other book ever offered to fire underwriters contains so much information of the nature above described, or gives the desired data so fully, where fullness is expedient, or in such condensed form, where condensation is permissible, as does this one. It can also be justly claimed for this publication that, owing to the systematic arrangement of its contents and its elaborate series of subject indexes, the facts presented in it can be more readily located than under the plan employed in any other similar work.

In conclusion, we beg to assure our subscribers that we shall continue to endeavor to make this publication accurate and increasingly valuable, and will gladly welcome suggestions which will add to its future usefulness; also, to express our thanks to those who have so kindly assisted us by furnishing data from their private files.

THE SPECTATOR COMPANY.

NEW YORK, August 1, 1916.

GENERAL INDEX.

LAWS TAXES AND FEES.

	PAGE
Alabama	23, 522
Alaska	35
Arizona	37
Arkansas	43
California	50
Canada (See also Provincial Requirements).....	58
Canal Zone	79
Colorado	80
Connecticut	87
Delaware	93
District of Columbia.....	98
Florida	100, 522
Georgia	107
Hawaii	117
Idaho	122
Illinois	127
Indiana	137
Iowa	142
Kansas	152
Kentucky	160
Louisiana	172
Maine	188
Maryland	190
Massachusetts	200
Michigan	227
Minnesota	237
Mississippi	248, 522
Missouri	262, 522
Montana	277
Nebraska	287
Nevada	297
New Hampshire	297
New Jersey	307
New Mexico	317
New York	323, 522
North Carolina	357
North Dakota	367

	PAGE
Ohio	373
Oklahoma	383, 522
Oregon	391
Pennsylvania	401
Philippine Islands	410
Porto Rico	416
Rhode Island	419
South Carolina.....	424
South Dakota	434
Tennessee	441
Texas	449
United States	514
Utah	460
Vermont	467
Virginia	472
Washington	480
West Virginia	489
Wisconsin	494
Wyoming	509
State Insurance Officials and Legislatures.....	22
State Fire Marshals.....	521

INDEX TO SUBJECT INDEXES.

Adjusters' Licenses	8
Agents Defined.....	8
Agents' Licenses.....	8
Agents, Resident.....	19
Annual Statements.....	9
Anti-Coinsurance.....	9
Anti-Compact.....	9
Anti-Discrimination.....	9
Attorney.....	10
Brokers, Licensed.....	15
Cancellation of Policy.....	10
Capital Required.....	11
Coinsurance, Laws Prohibiting.....	9
Commissions to Non-Residents.....	11
Compacts, Laws Prohibiting.....	9
Companies, Domestic.....	12
Companies, Mutual.....	17
County Taxes and Fees.....	11
Deposits Required of Foreign Companies.....	11
Deposits Required of Other State Companies.....	12
Documents, Preliminary.....	17
Domestic Companies.....	12
Examinations.....	13

	PAGE
Fees.....	13
Fees and Taxes, County.....	11
Fees and Taxes, Municipal.....	16
Fire Department Tax.....	14
Fire Marshal.....	14
Foreign Companies' Home Office Statements.....	14
Impairment.....	14
Investments Prescribed.....	15
Legislatures, Next Session of State.....	22
Licensed Brokers.....	15
Licenses, Agents'.....	8
Limit on a Single Risk.....	16
Lloyds.....	16
Marshal, Fire.....	14
Municipal Taxes and Fees.....	16
Mutual Companies.....	17
Officials, State Insurance.....	22
Policy, Cancellation of.....	10
Policy, Standard.....	20
Policy, Valued.....	21
Preliminary Documents.....	17
Publication.....	17
Rate Schedules to be Filed.....	18
Reciprocal Law.....	18
Reinsurance in Unauthorized Companies.....	18
Reinsurance Reserve.....	19
Reserve, Reinsurance.....	19
Resident Agents.....	19
Risk, Limit on a Single.....	16
Semi-Annual Statements.....	20
Standard Policy.....	20
State Insurance Officials.....	22
Statements, Annual.....	9
Statements, Foreign Companies' Home Office.....	14
Statements, Semi-Annual.....	20
Statements, Tax.....	21
Tax, Fire Department.....	14
Tax Statements.....	21
Taxes.....	20
Taxes and Fees, County.....	11
Taxes and Fees, Municipal.....	16
Unauthorized Companies, Reinsurance in.....	18
Unearned Premium Reserve.....	19
Valued Policy.....	21

SUBJECT INDEXES. ADJUSTERS' LICENSES.

	PAGE.		PAGE.		PAGE.
Florida.....	100	New Mexico.....	317	Texas.....	449
Michigan.....	223	New York.....	323	Washington.....	480
Mississippi.....	248	North Carolina.....	354	Wisconsin.....	494

AGENTS DEFINED.

Alabama.....	23	Missouri.....	262
Arizona.....	37	Montana.....	277
Arkansas.....	43	Nebraska.....	283
Canada.....	58	New Hampshire.....	298
Colorado.....	80	New Mexico.....	317
Connecticut.....	87	New York.....	323
Delaware.....	93	North Carolina.....	354
Florida.....	100	North Dakota.....	366
Georgia.....	107	Ohio.....	373
Hawaii.....	117	Oklahoma.....	383
Idaho.....	122	Oregon.....	391
Illinois.....	127	Pennsylvania.....	401
Indiana.....	137	Porto Rico.....	416
Iowa.....	142	Rhode Island.....	419
Kansas.....	152	South Carolina.....	424
Kentucky.....	160	Tennessee.....	441
Louisiana.....	174	Texas.....	449
Maine.....	188	Utah.....	460
Massachusetts.....	209	Virginia.....	472
Michigan.....	223	Washington.....	480
Minnesota.....	237	Wisconsin.....	494
Mississippi.....	248	Wyoming.....	507

AGENTS' LICENSES.

	Fee.	PAGE.		Fee.	PAGE.
Alabama.....	\$3.50*	23	New Mexico.....	2.00	317
Alaska.....	25.00	35	New York.....	Recip. (For. cos., \$2)e	324
Arizona.....	2.00	37	North Carolina.....	1.00*	354
Arkansas.....	2.00*	43	North Dakota.....	2.00*	366
California.....	1.00	50	Ohio.....	2.00	373
Canada.....	None	58	Oklahoma.....	3.00*†	383
Colorado.....	2.00*	80	Oregon.....	1.00	391
Connecticut.....	Recip. (For. cos., \$2)	87	Pennsylvania.....	2.00*	401
Delaware.....	7.50	93	Philippine Islands.....	2.00	410
Dist. of Columbia.....	50.00b	98	Rhode Island.....	2.00	419
Florida.....	5.00*	100	South Carolina.....	.50*	424
Georgia.....	3.00a	107	South Dakota.....	2.00*	434
Hawaii.....	\$2. for each co.	117	Tennessee.....	2.00*d	441
Idaho.....	3.00	122	Texas.....	No charge	449
Illinois.....	Recip.†	127	Utah.....	2.00	460
Indiana.....	3.00*	137	Vermont.....	2.00*	467
Iowa.....	2.00*†	142	Virginia.....	1.00*	472
Kansas.....	2.00*†	152	Washington.....	2.00	480
Kentucky.....	3.00*	160	West Virginia.....	5.00*	489
Louisiana.....	2.00	174	Wisconsin.....	1.00*	494
Maine.....	2.00*	188	Wyoming.....	1.00	507
Maryland.....	10.00b	196			
Massachusetts.....	2.00	209			
Michigan.....	Recip.	223			
Minnesota.....	2.00c*	237			
Mississippi.....	2.00*	248			
Missouri.....	2.00	262			
Montana.....	5.00	277			
Nebraska.....	2.00*†	283			
Nevada.....	1.00	293			
New Hampshire.....	2.00	298			
New Jersey.....	2.00	305			

* License required for each member of firm.

† Agents for domestic companies 50 cents.

a Also tax of \$10 for each county operated in.

b Solicitor, \$5.

c Agents for domestic companies, 25 cents.

d Also \$10 tax in lieu of privilege taxes.

e Agents for domestic companies, none.

ANNUAL STATEMENTS.

	Date Required.	PAGE.		Date Required.	PAGE.
Alabama.....	Mar. 1	24	New Jersey.....	aJan. 31	305
Alaska.....	Mar. 1	35	New Mexico.....	dMar. 1	317
Arizona.....	Mar. 1	37	New York.....	Feb. 15	324
Arkansas.....	†Mar. 1	43	North Carolina.....	Mar. 1	354
California.....	Mar. 1	50	North Dakota.....	Mar. 1	366
Canada.....	*Mar. 1	58	Ohio.....	Jan. 31	373
Canal Zone.....	Feb. 28	79	Oklahoma.....	Feb. 28	383
Colorado.....	Mar. 1	80	Oregon.....	Mar. 1	392
Connecticut.....	Feb. 10	87	Pennsylvania.....	Mar. 1	401
Delaware.....	Feb. 28	93	Philippine Islands.....	Apr. 30	410
Dist. of Columbia.....	Mar. 1	98	Porto Rico.....	Mar. 15	416
Florida.....	Jan. 31	100	Rhode Island.....	Feb. 1	419
Georgia.....	†Mar. 1	107	South Carolina.....	Mar. 31	424
Hawaii.....	fApril 15	117	South Dakota.....	Mar. 1	434
Idaho.....	Mar. 1	122	Tennessee.....	aFeb. 1	441
Illinois.....	Jan. 31	127	Texas.....	†Mar. 1	449
Indiana.....	bJan. 31	137	Utah.....	Feb. 28	460
Iowa.....	Jan. 31	142	Vermont.....	Jan. 31	467
Kansas.....	Mar. 1	152	Virginia.....	Feb. 15	472
Kentucky.....	Feb. 10	160	Washington.....	Feb. 15	480
Louisiana.....	Feb. 28	174	West Virginia.....	Jan. 31	489
Maine.....	aJan. 31	188	Wisconsin.....	aJan. 31	495
Maryland.....	†Mar. 1	196	Wyoming.....	†Mar. 1	507
Massachusetts.....	aJan. 15	209	* See also Provincial Requirements.		
Michigan.....	Feb. 15	223	† Within 60 days from Jan. 1.		
Minnesota.....	aFeb. 1	237	a Time may be extended.		
Mississippi.....	Mar. 1	248	b Mutual companies in February.		
Missouri.....	Jan. 31	262	d Domestic companies in January.		
Montana.....	eMar. 1	277	e Mutual companies in January.		
Nebraska.....	Mar. 1	283	f Domestic companies must also file cor- poration reports.		
Nevada.....	Mar. 1	293			
New Hampshire.....	aFeb. 1	298			

ANTI-COINSURANCE.

Arkansas.....	43	Missouri.....	262
Florida.....	100	New Hampshire.....	298
Georgia.....	107	New Jersey.....	305
Indiana.....	137	North Carolina.....	354
Iowa.....	142	Ohio.....	366
Kentucky.....	160	South Dakota.....	434
Louisiana.....	174	Tennessee.....	441
Michigan.....	223	Texas.....	450
Minnesota.....	237	Wisconsin.....	495
Mississippi.....	248		

ANTI-COMPACT.

Alabama.....	24	Nebraska.....	283
Arizona.....	37	New Hampshire.....	298
Arkansas.....	43	New Jersey.....	306
California.....	51	New Mexico.....	317
Georgia.....	107	Ohio.....	373
Illinois.....	127	Oklahoma.....	383
Indiana.....	137	Oregon.....	392
Iowa.....	142	South Carolina.....	424
Kansas.....	152	South Dakota.....	434
Louisiana.....	175	Tennessee.....	442
Michigan.....	225	Texas.....	450
Minnesota.....	238	Washington.....	480
Mississippi.....	249	Wisconsin.....	495
Missouri.....	263		

ANTI-DISCRIMINATION.

Alabama.....	25	Canada.....	58
Arizona.....	37	Colorado.....	80
Arkansas.....	43	Florida.....	100

ANTI-DISCRIMINATION—(Continued).

Georgia	108	New York	324
Idaho	122	North Carolina	355
Indiana	137	Ohio	374
Iowa	142	Oklahoma	384
Kansas	152	Oregon	393
Kentucky	161	Pennsylvania	402
Louisiana	175	Philippine Islands	410
Maryland	196	Porto Rico	416
Massachusetts	209	South Carolina	426
Michigan	225	South Dakota	434
Minnesota	238	Texas	450
Missouri	264	Virginia	472
Montana	277	Washington	480
Nebraska	283	West Virginia	489
New Hampshire	298	Wisconsin	496
New Jersey	306		

ANTI-REBATE.
(See Anti-Discrimination.)
ATTORNEY.

Who to Accept Service.	PAGE.	Who to Accept Service.	PAGE.
Alabama	25	Missouri	264
Alaska	35	Montana	277
Arizona	37	Nebraska	284
Arkansas	44	Nevada	293
California	51	N. Hampshire	298
Canada		New Jersey	307
At Chief Agency (see		New Mexico	317
also Provincial Require-		New York	324
ments)	58	N. Carolina	355
Canal Zone	79	N. Dakota	366
Colorado	80	Ohio	374
Connecticut	87	Oklahoma	384
Delaware	93	Oregon	393
Dist. of Columbia	98	Pennsylvania	402
Florida	100	Philippine Is.	410
Georgia	108	Porto Rico	416
Hawaii	117	Rhode Island	420
Idaho	122	S. Carolina	426
Illinois	127	S. Dakota	435
Indiana	137	Tennessee	443
Iowa	142	Texas	450
Kansas	152	Utah	460
Kentucky	161	Vermont	467
Louisiana	175	Virginia	472
Maine	188	Washington	481
Maryland	197	W. Virginia	489
Massachusetts	209	Wisconsin	497
Michigan	226	Wyoming	
Minnesota	238	Resident each Co. and	
Mississippi	249	Ins. Comr.	509

CANCELLATION OF POLICY.

Arizona	37	New Jersey	307
California	51	New Mexico	317
Canada (Provinces)	63	New York	325
Colorado	80	North Carolina	355
Connecticut	87	North Dakota	366
Iowa	142	Ohio	374
Louisiana	175	Oklahoma	384
Maine	188	Philippine Islands	410
Massachusetts	210	Rhode Island	420
Michigan	226	South Dakota	435
Minnesota	238	Washington	482
Mississippi	249	West Virginia	489
Nebraska	284	Wisconsin	497
New Hampshire	298		

CAPITAL REQUIRED.

	Capital.	PAGE.		Capital.	PAGE.
Alabama.....	\$100,000	25	Ohio.....	\$100,000	374
Arizona.....	200,000	38	Oklahoma.....	100,000	384
Arkansas.....	†100,000	44	Oregon.....	\$200,000	393
California.....	200,000	51	Pennsylvania.....	100,000	402
Canada.....	†300,000	58	Philippine Islands.....	125,000	410
Colorado.....	200,000	81	Rhode Island.....	100,000	420
Connecticut.....	200,000	87	South Carolina.....	100,000	426
Delaware.....	100,000	93	South Dakota.....	100,000	435
Dist. of Columbia.....	100,000	98	Tennessee.....	100,000	443
Florida (assets).....	250,000	100	Texas.....	100,000	450
Georgia.....	100,000	108	Utah.....	200,000	460
Hawaii.....	100,000	117	Vermont.....	100,000	467
Idaho.....	200,000	122	Virginia.....	.....	472
Illinois.....	100,000	127	Washington.....	200,000	482
Indiana.....	\$200,000	137	West Virginia.....	100,000	490
Iowa.....	*200,000	145	Wisconsin.....	100,000	498
Kansas.....	100,000	152	Wyoming.....	300,000	509
Kentucky.....	*150,000	161	* Domestic companies, \$50,000.		
Louisiana.....	200,000	175	† Subscribed; \$50,000 paid up.		
Maine.....	\$200,000	188	‡ \$50,000 additional for each additional		
Maryland.....	100,000	198	class of business.		
Massachusetts.....	200,000	211	§ Domestic companies, \$100,000.		
Michigan.....	100,000	226	a Marine companies, \$300,000.		
Minnesota.....	100,000	238	b \$200,000 for fire and inland marine;		
Mississippi.....	*100,000	249	\$400,000 for fire, inland and ocean marine.		
Missouri.....	200,000	264	c Domestic companies, limiting operations		
Montana.....	200,000	277	\$50,000.		
Nebraska.....	100,000	284	d Both fire and marine, \$300,000.		
Nevada.....	200,000	293	e Domestic companies may have less.		
New Hampshire.....	200,000	298	f See also Provincial Requirements.		
New Jersey.....	100,000	307	g Local companies, \$50,000.		
New Mexico.....	200,000	317	h Both fire and marine, \$400,000.		
New York.....	200,000	325	i 50% subscribed, 50% paid in.		
North Carolina.....	†100,000	355	j Fire insurance only, \$100,000.		
North Dakota.....	100,000	366			

COMMISSIONS REQUIRED TO BE PAID TO RESIDENTS.

	PAGE.		PAGE.		PAGE.
Arizona.....	38	Michigan.....	226	Oregon.....	393
Arkansas.....	44	Mississippi.....	249	Pennsylvania.....	402
Colorado.....	81	Missouri.....	264	Porto Rico.....	416
Delaware.....	93	Montana.....	277	South Carolina.....	426
Dist. of Columbia.....	98	Nebraska.....	284	Tennessee.....	443
Florida.....	101	New Hampshire.....	298	Texas.....	450
Idaho.....	122	New Jersey.....	307	Utah.....	461
Kansas.....	152	New Mexico.....	317	Virginia.....	472
Kentucky.....	161	North Carolina.....	355	Washington.....	482
Louisiana.....	175	North Dakota.....	366	West Virginia.....	490
Maine.....	189	Ohio.....	374	Wisconsin.....	498
Maryland.....	198	Oklahoma.....	384	Wyoming.....	509

COUNTY TAXES AND FEES.

California.....	56	Nebraska.....	290
Florida.....	104, 522	New Mexico.....	322
Georgia.....	112	Oregon.....	400
Illinois.....	136	South Carolina.....	431
Louisiana.....	183	Texas.....	457
Mississippi.....	259		

DEPOSITS REQUIRED OF FOREIGN COMPANIES.

	In One of the United States.	PAGE.		In One of the United States.	PAGE.
Alabama.....	\$200,000	25	Canal Zone.....	\$10,000	79
Arizona.....	200,000	38	Colorado.....	200,000	81
Arkansas.....	200,000	44	Connecticut.....	200,000	87
California.....	200,000	51	Delaware.....	100,000	93
Canada.....	50,000	59	Dist. of Columbia.....	100,000	98

DEPOSITS REQUIRED OF FOREIGN COMPANIES—(Continued.)

	In One of the United States.	PAGE.		In One of the United States.	PAGE.
Florida.....	†250,000	101	Oregon.....	\$25,000	393
Georgia.....	‡10,000	108	Pennsylvania.....	d200,000	402
Hawaii.....	a\$1,000 to	117	Philippine Islands.....	50,000	411
Idaho.....	200,000	122	Porto Rico.....	100,000	416
Illinois.....	200,000	127	Rhode Island.....	200,000	420
Indiana.....	100,000	138	South Carolina.....	100,000	426
Kansas.....	100,000	152	Tennessee.....	200,000	443
Kentucky.....	200,000	161	Texas.....	100,000	450
Louisiana.....	200,000	175	Utah.....	200,000	461
Maine.....	200,000	189	Virginia.....	b	472
Massachusetts.....	\$200,000	211	West Virginia.....	200,000	490
Michigan.....	200,000	227	Wisconsin.....	‡200,000	498
Minnesota.....	100,000	238	Wyoming.....	100,000	509
Mississippi.....	100,000	249			
Missouri.....	200,000	265			
Montana.....	200,000	277			
Nebraska.....	200,000	284			
Nevada.....	200,000	293			
New Hampshire.....	200,000	299			
New Jersey.....	200,000	307			
New Mexico.....	200,000	317			
New York.....	200,000	325			
North Carolina.....	100,000	355			
North Dakota.....	.....	367			
Ohio.....	*100,000	374			
Oklahoma.....	200,000	384			

* In Ohio.

† Assets in U. S.; deposit in Fla., \$20,000, securities or surety bond.

‡ Or \$50,000 in Wisconsin.

§ Marine companies, \$300,000.

a Surety bond.

b 5% of capital. Not more than \$50,000 nor less than \$10,000.

c See also Provincial Requirements.

d Fire, inland and ocean marine, \$400,000.

e In Georgia.

DEPOSITS REQUIRED OF OTHER STATE COMPANIES.†

	Amount.	PAGE			
Arkansas.....	\$20,000	44	South Carolina.....	†10,000	426
California.....	‡20,000	51	Texas.....	d	450
Canada.....	‡50,000	59	Virginia.....	*	472
Canal Zone.....	10,000	79			
Florida.....	‡20,000	101			
Georgia.....	10,000	108			
Hawaii.....	a\$1,000 to	117			
Idaho.....	‡100,000	122			
Louisiana.....	a20,000	175			
New Mexico.....	10,000	317			
North Carolina.....	†10,000-25,000	355			
Oregon.....	c50,000	393			
Porto Rico.....	100,000	416			

* 5% of capital. Not more than \$50,000, nor less than \$10,000.

† See "Reciprocal Law."

‡ Securities or surety bond.

§ Surety bond.

a Individual or surety bond.

c If licensed in New York State, \$25,000.

d 25% of premium income in State; not more than \$50,000 nor less than \$10,000.

e In one of the United States.

f See also Provincial Requirements

DOMESTIC COMPANIES.

	PAGE		PAGE.
Alabama.....	25	Massachusetts.....	212
Arizona.....	38	Michigan.....	227
California.....	51	Minnesota.....	239
Canada (see also Provincial Require- ments).....	60	Mississippi.....	249
Colorado.....	81	Missouri.....	265
Connecticut.....	87	Montana.....	277
Delaware.....	93	Nebraska.....	284
Florida.....	101	Nevada.....	293
Georgia.....	108	New Hampshire.....	299
Hawaii.....	118	New Jersey.....	307
Idaho.....	122	New Mexico.....	318
Illinois.....	128	New York.....	326
Indiana.....	138	North Carolina.....	355
Iowa.....	145	North Dakota.....	367
Kansas.....	153	Ohio.....	374
Kentucky.....	161	Oklahoma.....	384
Louisiana.....	175	Oregon.....	395
Maine.....	189	Pennsylvania.....	403
Maryland.....	197	Philippine Islands.....	411
		Porto Rico.....	417

DOMESTIC COMPANIES—(Continued).

	PAGE.		PAGE
Rhode Island.....	420	Vermont.....	467
South Carolina.....	426	Virginia.....	473
South Dakota.....	435	Washington.....	482
Tennessee.....	443	West Virginia.....	490
Texas.....	452	Wisconsin.....	498
Utah.....	461	Wyoming.....	509

EXAMINATIONS.

Alabama.....	25	Montana.....	278
Arizona.....	38	Nebraska.....	285
Arkansas.....	44	Nevada.....	294
California.....	51	New Hampshire.....	299
Canada (see also Provincial Require- ments).....	60	New Jersey.....	308
Colorado.....	81	New Mexico.....	318
Connecticut.....	87	New York.....	327
Delaware.....	93	North Carolina.....	355
Dist. of Columbia.....	98	North Dakota.....	367
Florida.....	101	Ohio.....	375
Georgia.....	109	Oklahoma.....	385
Hawaii.....	118	Oregon.....	395
Idaho.....	123	Pennsylvania.....	403
Illinois.....	128	Philippine Islands.....	411
Indiana.....	138	Rhode Island.....	420
Iowa.....	145	South Carolina.....	427
Kansas.....	153	South Dakota.....	435
Kentucky.....	162	Tennessee.....	443
Louisiana.....	176	Texas.....	452
Maine.....	190	Utah.....	461
Maryland.....	200	Vermont.....	467
Massachusetts.....	212	Virginia.....	473
Michigan.....	227	Washington.....	482
Minnesota.....	239	West Virginia.....	490
Mississippi.....	249	Wisconsin.....	498
Missouri.....	265	Wyoming.....	510

FEES.

Alabama.....	26	Missouri.....	266
Alaska.....	35	Montana.....	278
Arizona.....	38	Nebraska.....	285
Arkansas.....	44	Nevada.....	294
California.....	52	New Hampshire.....	299
Canada (see also Provinc. Requirements).....	60	New Jersey.....	309
Canal Zone.....	79	New Mexico.....	319
Colorado.....	82	New York.....	328
Connecticut.....	88	North Carolina.....	356
Delaware.....	93	North Dakota.....	368
Dist. of Columbia.....	98	Ohio.....	375
Florida.....	101	Oklahoma.....	385
Georgia.....	109	Oregon.....	396
Hawaii.....	118	Pennsylvania.....	403
Idaho.....	123	Porto Rico.....	417
Illinois.....	128	Rhode Island.....	421
Indiana.....	138	South Carolina.....	427
Iowa.....	146	South Dakota.....	436
Kansas.....	153	Tennessee.....	444
Kentucky.....	163	Texas.....	452
Louisiana.....	176	Utah.....	461
Maine.....	190	Vermont.....	468
Maryland.....	201	Virginia.....	473
Massachusetts.....	213	Washington.....	483
Michigan.....	228	West Virginia.....	490
Minnesota.....	240	Wisconsin.....	499
Mississippi.....	250	Wyoming.....	510

FIRE DEPARTMENT TAX.

	Per Cent.	PAGE.		Per Cent.	PAGE.
Alabama.....	§1 ½	26	Pennsylvania.....	2	403
Illinois.....	2	129	South Carolina.....	1	427
Iowa.....	..	147	South Dakota.....	½	436
Kansas.....	2	153	Virginia.....	1	474
Louisiana.....	*1	177	Wisconsin.....	2	499
Nebraska.....	..	285			
New Jersey.....	†½	309	* In cities having fire departments of prescribed efficiency.		
New Mexico.....	..	319	† In cities of less than 25,000 not more than \$5.		
New York.....	2	329	‡ Included in State tax.		
North Carolina.....	½	356	§ In cities of 100,000 or more population.		
North Dakota.....	‡½	368			
Oklahoma.....	‡	385			

FIRE MARSHAL. (List on page 521.)

	Tax Per Cent.	PAGE.		Tax Per Cent.	PAGE.
Alabama.....	1/5	26	Mississippi.....	1/5	250
Canada (see Provincial Requirements).	..	66	Montana.....	1/4	278
Connecticut.....	..	88	Nebraska.....	3/8	286
Dist. of Columbia.....	..	99	New Hampshire.....	..	299
Georgia.....	1/10	109	North Carolina.....	..	356
Illinois.....	1/4	129	North Dakota.....	..	368
Indiana.....	‡	138	Ohio.....	1/2	375
Iowa.....	..	147	Oklahoma.....	1/4	385
Kansas.....	3/8	154	Pennsylvania.....	..	403
Kentucky.....	1/3	163	Rhode Island.....	..	421
Louisiana.....	1/2	177	South Carolina.....	1/10	427
Maine.....	..	190	South Dakota.....	1/2	436
Maryland.....	..	201	Tennessee.....	1/5	444
Massachusetts.....	..	213	Texas.....	..	452
Michigan.....	..	228	Virginia.....	..	474
Minnesota.....	3/8	241	West Virginia.....	1/2	490
			Wisconsin.....	3/8	500

‡ \$35,000 pro rata.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS.

	Date Required.	PAGE.		Date Required.	PAGE.
Arkansas.....	July 1	46	Nevada.....	..	294
California.....	July 1	53	New Jersey.....	*	309
Canada.....	June 30	60	New York.....	June 15	330
Connecticut.....	*	88	North Dakota.....	Dec. 1	368
Hawaii.....	..	118	Ohio.....	Jan. 31	375
Illinois.....	Jan. 31	129	Oklahoma.....	Jan. 31	385
Iowa.....	*	147	South Dakota.....	April 30	436
Kentucky.....	..	163	West Virginia.....	..	490
Maryland.....	July 1	201	Wisconsin.....	..	500
Michigan.....	† June 1	228			
Missouri.....	..	267	* On admission. † Or within 60 days after annual meeting.		
Montana.....	July 1	278			

IMPAIRMENT

	Impairment Permitted, Per Cent.	PAGE.		Impairment Permitted, Per Cent.	PAGE.
Alabama.....	Dom. Cos. 20	26	Iowa.....	25	147
Arizona.....	20	39	Kansas.....	20	154
Arkansas.....	20	46	Kentucky.....	20	163
California.....	25	53	Louisiana.....	25	177
Canada (See also Prov. Requirements).....	..	60	Maine.....	25	191
Colorado.....	None	83	Maryland.....	25	201
Connecticut.....	25	88	Massachusetts.....	25	213
Delaware.....	20	94	Michigan.....	15	228
Dist. of Columbia.....	25	99	Minnesota.....	25	242
Florida.....	None	102	Mississippi.....	25	250
Georgia.....	None	110	Missouri.....	None	267
Hawaii.....	25	118	Montana.....	None	279
Idaho.....	25	123	Nebraska.....	None	286
Illinois.....	*20	130	Nevada.....	None	294
			New Hampshire.....	Discretionary	299

IMPAIRMENT—(Continued).

	Impairment Permitted, Per Cent.	PAGE.		Impairment Permitted, Per Cent.	PAGE.
New Jersey.....	Discretionary	310	Tennessee.....	Dom. Cos. 20	445
New Mexico.....	None	320	Texas.....	20	453
New York.....	*None	335	Utah.....	None	463
North Carolina.....	25	357	Vermont.....	20	468
North Dakota.....	*	368	Virginia.....	Discretionary	474
Ohio.....	20	376	Washington.....	None	483
Oklahoma.....	None	386	West Virginia.....	Discretionary	491
Oregon.....	None	396	Wisconsin.....	*20	501
Pennsylvania.....	20	403	Wyoming.....	20	510
Rhode Island.....	Discretionary	421	— — —		
South Carolina.....	Discretionary	427			
South Dakota.....	20	435			

* Domestic companies, 25%.

INVESTMENTS PRESCRIBED.

	PAGE.		PAGE.
Alabama.....	26	Montana.....	279
Arizona.....	39	Nebraska.....	286
California.....	53	Nevada.....	294
Canada.....	60	New Hampshire.....	300
Colorado.....	83	New Jersey.....	310
Delaware.....	94	New Mexico.....	320
Dist. of Columbia.....	99	New York.....	336
Florida.....	102	North Carolina.....	357
Georgia.....	110	North Dakota.....	369
Hawaii.....	119	Ohio.....	376
Idaho.....	123	Oklahoma.....	386
Illinois.....	131	Oregon.....	396
Indiana.....	139	Pennsylvania.....	403
Iowa.....	147	Philippine Islands.....	412
Kansas.....	154	Porto Rico.....	417
Kentucky.....	164	South Dakota.....	436
Louisiana.....	178	Tennessee.....	445
Maine.....	191	Texas.....	453
Maryland.....	201	Utah.....	463
Massachusetts.....	213	Vermont.....	468
Michigan.....	229	Washington.....	483
Minnesota.....	242	West Virginia.....	491
Mississippi.....	250	Wisconsin.....	501
Missouri.....	267	Wyoming.....	510

LICENSED BROKERS.

	Annual Fee.	PAGE		Annual Fee.	PAGE
Alabama.....		26	New Jersey.....	*	310
Alaska.....	\$25	35	New York.....	\$200	337
Alzonsa.....		39	North Carolina.....	20	358
Arkansas.....		46	Ohio.....	10	377
California.....	a	53	Pennsylvania.....	100	404
Canada (see Prov. Req.).....		62	Rhode Island.....	†10	421
Colorado.....	10	84	South Carolina.....	25	428
Connecticut.....	20	89	Tennessee.....	†	445
Dist. of Columbia.....	50	99	Texas.....	25	453
Hawaii.....		119	Vermont.....	*	469
Idaho.....		124	Virginia.....	100	474
Illinois.....	200	132	Washington.....	100	484
Iowa.....		147	Wisconsin.....	\$15	502
Kansas.....	10	154			
Kentucky.....	25	165			
Louisiana.....		179			
Maine.....	*	192			
Maryland.....	†101	202			
Massachusetts.....	*†	210-214			
Michigan.....	25	232			
Minnesota.....	10	243			
Mississippi.....	20	251			
Missouri.....	10	267			
Nebraska.....	100	287			
Nevada.....	15 qrlly.	295			
New Hampshire.....	20	300			

* Ordinary broker's license, \$10; to deal with unauthorized companies, \$20.

† Free to honorably discharged soldiers or sailors of the Civil War.

‡ Same fees as required of authorized companies.

\$ Or \$50 in cities having more than 100,000 inhabitants.

¶ For one particular county, \$26.

a Ordinary broker's license, \$10; to deal with unauthorized companies, \$25.

LIMIT ON A SINGLE RISK.

	Per Cent. of Capital.	PAGE.		Per Cent. of Capital.	PAGE.
California.....	10	54	Oregon.....	...	397
Canada (Quebec).....	...	74	Pennsylvania.....	g	405
Colorado.....	†10	84	Philippine Islands.....	10	413
Connecticut.....	†10	90	Porto Rico.....	†10	417
Idaho.....	...	124	Rhode Island.....	10	421
Indiana.....	10	139	South Dakota.....	10	437
Iowa.....	10	147	Texas.....	\$10	453
Kansas.....	*5	155	Utah.....	†10	464
Kentucky.....	†10	165	Virginia.....	††10	474
Louisiana.....	†10	179	Washington.....	b10	484
Maine.....	a10	193	West Virginia.....	...	491
Massachusetts.....	e10	214	Wisconsin.....	e10	502
Michigan.....	b10	232	Wyoming.....	10	511
Minnesota.....	e10	244	*Mutual companies, 10% of premium notes.		
Mississippi.....	e10	252	† Of capital and surplus.		
Montana.....	10	279	‡ For foreign mutual 1/10 of net assets.		
Nebraska.....	f10	287	§ Except on baled cotton and grain.		
New Hampshire.....	†	301	¶ Mutual companies, 5% of cash assets.		
New Jersey.....	e10	311	a Domestic companies.		
New Mexico.....	†10	320	b Foreign companies, 10% of deposit		
New York.....	†10	339	capital.		
North Carolina.....	e10	359	c Of net assets.		
North Dakota.....	10	369	f In congested districts.		
Oklahoma.....	†10	387	g 1/6 of net assets for Lloyds.		

LLOYDS.

	PAGE.		PAGE.
Alabama.....	27	New Jersey.....	311
Arizona.....	39	New Mexico.....	320
Arkansas (Inter-Ins.).....	46	New York.....	339
California.....	54	North Carolina.....	359
Canada.....	62	North Dakota.....	369
Colorado.....	83	Ohio.....	378
Florida (Inter-Ins.).....	102	Oklahoma.....	387
Idaho.....	124	Oregon.....	397
Illinois.....	132	Pennsylvania.....	405
Kansas.....	155	Philippine Islands.....	413
Kentucky.....	165	Rhode Island.....	421
Louisiana.....	179	South Carolina.....	429
Maine.....	193	Tennessee.....	446
Maryland.....	204	Utah.....	464
Massachusetts.....	215	Vermont.....	469
Michigan.....	228, 232	Virginia.....	475
Minnesota.....	244	Washington.....	485
Mississippi.....	252	West Virginia.....	491
Missouri.....	267	Wisconsin.....	502
Montana.....	279	Wyoming.....	511
Nevada.....	295		

MUNICIPAL TAXES AND FEES.

Alabama.....	29, 522	Nevada.....	297
California.....	56	New Jersey.....	314
Canada.....	77	New Mexico.....	321
Florida.....	105, 522	New York.....	353, 522
Georgia.....	112	Ohio.....	382
Idaho.....	126	Oklahoma.....	390
Illinois.....	136	Oregon.....	400
Iowa.....	151	Porto Rico.....	418
Kansas.....	158	Rhode Island.....	423
Kentucky.....	172	South Carolina.....	431
Louisiana.....	185	Tennessee.....	448
Maryland.....	208	Texas.....	459
Massachusetts.....	222	Utah.....	466
Minnesota.....	247	Virginia.....	479
Mississippi.....	259	Washington.....	488
Missouri.....	273, 522	West Virginia.....	493
Montana.....	282	Wisconsin.....	508
Nebraska.....	290		

MUTUAL COMPANIES.

	PAGE.		PAGE.
Arizona.....	40	Nevada.....	296
Arkansas.....	47	New Hampshire.....	302
California.....	54	New Jersey.....	312
Canada (see Provincial Requirements).....		New Mexico.....	321
Colorado.....	84	New York.....	344
Connecticut.....	90	North Carolina.....	360
Delaware.....	94	North Dakota.....	369
Dist. of Columbia.....	99	Ohio.....	379
Florida.....	102	Oklahoma.....	387
Georgia.....	110	Oregon.....	398
Idaho.....	124	Pennsylvania.....	406
Illinois.....	133	Philippine Islands.....	414
Indiana.....	139	Porto Rico.....	418
Iowa.....	147	Rhode Island.....	422
Kansas.....	155	South Carolina.....	429
Kentucky.....	166	South Dakota.....	438
Louisiana.....	179	Tennessee.....	446
Maine.....	193	Texas.....	454
Maryland.....	206	Utah.....	464
Massachusetts.....	216	Vermont.....	469
Michigan.....	233	Virginia.....	476
Minnesota.....	245	Washington.....	485
Mississippi.....	254	West Virginia.....	491
Missouri.....	268	Wisconsin.....	504
Montana.....	280	Wyoming.....	511
Nebraska.....	288		

PRELIMINARY DOCUMENTS.

Alabama.....	27	Montana.....	280
Alaska.....	35	Nebraska.....	288
Arizona.....	40	Nevada.....	296
Arkansas.....	47	New Hampshire.....	302
California.....	54	New Jersey.....	312
Canada (see also Prov. Requirements).....	62	New Mexico.....	321
Canal Zone.....	79	New York.....	347
Colorado.....	84	North Carolina.....	361
Connecticut.....	90	North Dakota.....	369
Delaware.....	94	Ohio.....	379
Dist. of Columbia.....	99	Oklahoma.....	388
Florida.....	102	Oregon.....	399
Georgia.....	110	Pennsylvania.....	406
Hawaii.....	120	Philippine Islands.....	414
Idaho.....	125	Porto Rico.....	418
Illinois.....	133	Rhode Island.....	422
Indiana.....	140	South Carolina.....	429
Iowa.....	149	South Dakota.....	439
Kansas.....	156	Tennessee.....	446
Kentucky.....	166	Texas.....	454
Louisiana.....	179	Utah.....	464
Maine.....	193	Vermont.....	470
Maryland.....	207	Virginia.....	476
Massachusetts.....	217	Washington.....	485
Michigan.....	233	West Virginia.....	491
Minnesota.....	245	Wisconsin.....	504
Mississippi.....	254	Wyoming.....	512
Missouri.....	268		

PUBLICATION.

	Charge.	PAGE.		Charge.	PAGE.
Alabama.....	\$10.00	28	Dist. of Columbia.....	*	99
Arizona.....	.....	40	Florida.....	.....	102
California.....	*	54	Georgia.....	\$25.00	110
Canada (see Provincial Requirements).....	*	62	Idaho.....	.....	125
Colorado.....	*	84	Illinois.....	80.00	134
Connecticut.....	.....	90	Indiana.....	48.00	140
Delaware.....	†3.00	95	Iowa.....	12.00	148
			Kentucky.....	.....	166

PUBLICATION—(Continued.)

	Charge.	PAGE.		Charge.	PAGE.
Louisiana.....	*	180	North Carolina.....	9.00	361
Maine.....	*	194	North Dakota.....	†	369
Maryland.....	*	207	Ohio.....	*	379
Massachusetts.....	*	217	Oregon.....	*	399
Michigan.....	*	234	Philippine Islands.....	....	414
Minnesota.....	*	245	South Dakota.....	\$17.50	439
Mississippi.....	9.00	254	Texas.....	*	454
Montana.....	9.00	280	Utah.....	*	464
Nebraska.....	*	288	Wyoming.....	12.00	512
Nevada.....	20.00	296	* No fixed charge. † Estimated.		
New Jersey.....	....	312	† Authorized rate for legal notices.		
New Mexico.....	†	321	§ In each judicial district wherein operating.		
New York (on admission only).....	....	347			

RATE SCHEDULES TO BE FILED.

	PAGE.		PAGE.
Arkansas.....	47	North Carolina.....	361
Iowa.....	148	Oklahoma.....	388
Kansas.....	156	Oregon.....	399
Kentucky.....	166	Pennsylvania.....	406
Michigan.....	234	South Carolina.....	429
Minnesota.....	246	Texas.....	454
Missouri.....	269	Washington.....	486
New Jersey.....	312	West Virginia.....	491
New York.....	348		

RECIPROCAL LAW.

Alabama.....	28	Montana.....	280
Arizona.....	40	Nebraska.....	288
California.....	55	New Hampshire.....	302
Canada (Ontario and Quebec).....	72	New Jersey.....	314
Colorado.....	84	New Mexico.....	321
Connecticut.....	90	New York.....	348
Delaware.....	95	North Carolina.....	363
Georgia.....	110	North Dakota.....	370
Illinois.....	134	Ohio.....	380
Indiana.....	140	Oklahoma.....	388
Iowa.....	150	Pennsylvania.....	407
Kansas.....	156	Rhode Island.....	422
Kentucky.....	167	South Dakota.....	439
Louisiana.....	180	Tennessee.....	447
Maine.....	194	Vermont.....	470
Maryland.....	207	Virginia.....	476
Massachusetts.....	218	Washington.....	487
Michigan.....	234	Wisconsin.....	504
Minnesota.....	246	Wyoming.....	512
Missouri.....	269		

REINSURANCE IN UNAUTHORIZED COMPANIES PROHIBITED.

Arizona.....	40	Nevada.....	296
Arkansas.....	48	New Hampshire.....	303
California.....	54	New Jersey.....	315
Canada (see Provincial Requirements).....	62	New York.....	349
Colorado.....	85	North Carolina*.....	363
Delaware*.....	95	North Dakota.....	370
Dist. of Columbia.....	99	Ohio.....	380
Florida*.....	103	Oklahoma.....	389
Idaho.....	125	Oregon.....	399
Illinois.....	134	Pennsylvania*.....	407
Indiana.....	140	South Carolina.....	429
Iowa.....	150	Texas.....	455
Louisiana.....	180	Utah.....	465
Massachusetts.....	218	Virginia.....	477
Michigan*.....	235	West Virginia*.....	491
Minnesota.....	246	Wisconsin*.....	505
Mississippi*.....	254		
Montana.....	280		
Nebraska.....	289		

* Policies of reinsurance in licensed companies need not be signed by resident agents.

REINSURANCE RESERVE.

	Required by Law.	PAGE.		Required by Law.	PAGE.
Alabama.....	*	28	Oklahoma.....	*	389
Arizona.....	†	41	Oregon.....	†	399
Arkansas.....	*	48	Pennsylvania.....	c	408
California.....	a	55	Philippine Islands.....	*	414
Canada.....	f	62	Porto Rico.....	||	418
Colorado.....	*	85	Rhode Island.....	*	422
Connecticut.....	*	91	South Carolina.....	||	429
Delaware.....	||	95	South Dakota (Dom. Cos.)	†	439
Dist. of Columbia.....	g	99	Tennessee.....	*	447
Florida.....	*	103	Texas.....	*	455
Georgia.....	*	111	Utah.....	c	465
Hawaii.....	§	120	Vermont.....	a	470
Idaho.....	d	125	Virginia.....	||	477
Illinois.....	*	134	Washington.....	†	487
Indiana.....	||	140	West Virginia.....	a	492
Iowa.....	†	151	Wisconsin.....	a	505
Kansas.....	d	157	Wyoming.....	*	512
Kentucky.....	*	167			
Louisiana.....	*	181	* 50% annual premiums; pro rata longer terms; 100% marine premiums.		
Maine.....	a	194	† 40% of all premiums in force.		
Maryland.....	*	208	† Must equal 40% of year's premium receipts.		
Massachusetts.....	a	219	§ 50% of all premiums in force.		
Michigan.....	*†	235	|| No requirement.		
Minnesota.....	||	246	¶ Pro rata of all premiums in force.		
Mississippi.....	b	256	a 50% of fire premiums; 100% of marine.		
Missouri.....	*	269	b Actual unearned portion of premiums.		
Montana.....	*	281	c "Amount required to safely reinsure all outstanding risks."		
Nebraska.....	†	289	d 50% on fire risk less than one year to run and pro rata on longer terms.		
Nevada.....	*	297	e 50% annual fire premiums; pro rata longer terms; 50% annual marine premiums; 100% other marine premiums.		
New Hampshire.....	*	303	f 80 per cent pro rata.		
New Jersey.....	*	315	g Must maintain a reinsurance reserve fund		
New Mexico.....	*	322			
New York.....	*	349			
North Carolina.....	b	364			
North Dakota.....	†	370			
Ohio.....	*	380			

RESIDENT AGENTS.

	PAGE.		PAGE.
Alabama.....	28	Montana.....	281
Arizona.....	41	Nebraska.....	289
Arkansas.....	48	Nevada.....	297
California.....	55	New Hampshire.....	303
Canada.....	62	New Jersey.....	315
Colorado.....	85	New Mexico.....	322
Connecticut.....	91	North Carolina.....	364
Delaware.....	95	North Dakota.....	370
Florida.....	103	Ohio.....	381
Georgia.....	111	Oklahoma.....	389
Hawaii.....	120	Oregon.....	399
Idaho.....	125	Pennsylvania.....	408
Illinois.....	135	Porto Rico.....	418
Indiana.....	141	Rhode Island.....	422
Iowa.....	151	South Carolina.....	429
Kansas.....	157	South Dakota.....	439
Kentucky.....	167	Tennessee.....	447
Louisiana.....	181	Texas.....	456
Maine.....	194	Utah.....	465
Maryland.....	208	Vermont.....	470
Massachusetts.....	219	Virginia.....	477
Michigan.....	235	Washington.....	487
Minnesota.....	247	West Virginia.....	492
Mississippi.....	257, 522	Wisconsin.....	505
Missouri.....	269	Wyoming.....	512

SEMI-ANNUAL STATEMENTS.

	Date Required.	PAGE.		Date Required.	PAGE.
Georgia*	Aug. 30	111	Porto Rico		418
New York†		349	* To Governor. See "Tax Statements."		
Pennsylvania		408	† Quarterly.		

STANDARD POLICY.

	Basis Form.	PAGE.		Basis Form.	PAGE.
Arizona	New York	41	N. Carolina	Nat. Conv. of Ins. Com'rs	364
California	California	55	N. Dakota	New York	371
Connecticut	New York	91	Oklahoma	New York	389, 522
Georgia	Georgia	111	Oregon	New York	400
Idaho	New York	126	Pennsylvania	*Nat. C. of Ins. Com'rs	408
Iowa	Iowa	151	Porto Rico	May be prescribed	418
Louisiana	New York	182	Rhode Island	New York	422
Maine	Massachusetts	194	S. Carolina	Nat. Conv. of Ins. Com'rs	430
Massachusetts	Massachusetts	220	S. Dakota	New York	439
Michigan	Michigan	235	Texas	New York	457
Minnesota	Minnesota	247	Washington	New York	488
Nebraska	New York	289	W. Virginia	New York	492
N. Hampshire	Massachusetts	304	Wisconsin	New York	506
New Jersey	New York	315			
New York	New York	349			

*With slight variations.

TAXES.

	Per Cent. of Gross Premiums.	PAGE.		Per Cent. of Gross Premiums.	PAGE.
Alabama	1 1/2	28	Philippine Islands	1	414
Alaska	1	36	Porto Rico	3	418
Arizona	2	41	Rhode Island	2 1/2	422
Arkansas	1 1/2	48	South Carolina	2	430
California	2	55	South Dakota	2 1/2	439
Canada (See Provinces)	e	63	Tennessee	2 1/2	448
Canal Zone	1 1/2	79	Texas	2 6/10	457
Colorado	*2	86	United States	1	514
Connecticut	2	91	Utah	1 1/2	466
Delaware	1 1/2	96	Vermont	*2	471
Dist. of Columbia	*1 1/2	99	Virginia	2 3/4	477
Florida	2	103	Washington	2 1/2	488
Georgia	1	111	West Virginia	2	492
Hawaii	2	121	Wisconsin	2 3/8	506
Idaho	2	126	Wyoming	2 1/2	513
Illinois	recip.	135			
Indiana	3	141	* Net.		
Iowa	2 1/2	151	† Domestic companies 1%.		
Kansas	2	157	‡ Foreign companies 4%.		
Kentucky	*2	168	‡‡ First year, initial payment \$500.		
Louisiana	1 1/2	183	¶ Less return premiums, cancellations and		
Maine	1 1/2	195	reinsurances in authorized companies.		
Maryland	2	208	a New Jersey companies taxed locally.		
Massachusetts	*2	221	aa On net income.		
Michigan	3	236	b Less property tax.		
Minnesota	2	247	bb May be reduced by investments in State.		
Mississippi	2 1/2	257	c In lieu of all other taxes.		
Missouri	2	270	cc Also not over 1/10% expense Ins. Bureau.		
Montana	2	282	d Losses and commissions deducted.		
Nebraska	qu Neb. cos. l	289	dd Also 1/2% for expenses of State Insur-		
Nevada	None	297	ance Board.		
New Hampshire	2	304	e Companies assessed for expenses. See		
New Jersey	2	315	text for Provincial requirements. Also war		
New Mexico	2	322	tax of 25% of net profit over 7%.		
New York	1	350	ee If premiums do not exceed \$100,000 1 1/4%.		
North Carolina	2 1/2	365	f Less losses paid.		
North Dakota	2 1/2	371	g Less return premiums.		
Ohio	2 1/2	381	h Graded averaging about 1 1/2% plus		
Oklahoma	*2	389	two-fifths of 1% additional.		
Oregon	*2	400	i Also tax on capital.		
Pennsylvania	*2	408	j Domestic companies 8 mills on each		

dollar of gross premiums.

TAXES—(Continued.)

k Foreign companies $\frac{1}{2}\%$; marine premiums are taxed 2% and mutual companies 1%.

l $\frac{1}{3}$ Net receipts at personal property rate.

m Less fire department taxes.

n Premiums \$5000 or less $2\frac{1}{4}\%$; over \$5000 2%.

o One-quarter mill on each dollar of risks written.

p Including reinsurance premiums received less return premiums and reinsurance premiums paid.

q Also fire marshal tax.

r Also franchise taxes.

s Domestic companies $\frac{1}{2}\%$ on capital
Other State companies reciprocal.

ss Domestic companies pay on all premiums not taxed elsewhere.

t Mutual companies 1% (see text).

u Gross premiums at property rate.

v Reinsurance may be deducted.

w Also 15 cents per \$1000 of capitalization. Also stamp tax $\frac{1}{2}\%$ on premiums.

x Gross less return premiums paid and reinsurance premiums received.

xx Domestic companies $1\frac{1}{2}\%$ gross, less return premiums and losses paid.

y Also license fee \$100.

z Gross direct premiums, less return premiums thereon.

zz Also net income tax $\frac{1}{2}\%$.

TAX STATEMENTS.†

	Date Required.	PAGE.		Date Required.	PAGE.
Alabama.....	Mar. 1	29	North Dakota.....	Mar. 1	371
Arizona.....	Mar. 1	42	Ohio.....	Jan. 31	381
Arkansas.....	§Mar. 1	49	Oklahoma.....	Feb. 28	390
California.....	bMar. 5	56	Oregon.....	Mar. 1	400
Canada.....	*None.	63	Pennsylvania.....	†Mar. 1	408
Canal Zone.....	Feb. 28	79	Philippine Islands.....	Apr. 1	415
Colorado.....	Mar. 1	86	Porto Rico.....	Jan. 1-July 1	418
Connecticut.....	aJan. 31	92	Rhode Island.....	†Jan. 31	423
Delaware.....	Feb. 28	97	South Carolina.....	June 30-Dec. 31	431
Dist. of Columbia.....	Jan. 31	99	South Dakota.....	Mar. 1	440
Florida.....	Jan. 31	103	Tennessee.....	Jan. 31-July 31	448
Georgia.....	eJuly 1	112	Texas.....	§Mar. 1	459
Hawaii.....	June 1	121	United States.....	Mar. 1	514
Idaho.....	Mar. 1	126	Utah.....	Feb. 28	466
Illinois.....	May 31	136	Vermont.....	Mar. 1	471
Indiana.....	Jan. 31-July 31	141	Virginia.....	Mar. 1	478
Iowa.....	Jan. 31	151	Washington.....	Feb. 15	488
Kansas.....	Jan. 15	157	West Virginia.....	Jan. 31	493
Kentucky.....	Dec. 31	169	Wisconsin.....	Jan. 31	507
Louisiana.....	Feb. 28	184	Wyoming.....	§Mar. 1	513
Maine.....	Jan. 31	195	* See text for Provincial Requirements.		
Maryland.....	g	208	† See text for fire department tax statements, etc.		
Massachusetts.....	Oct. 15	221	‡ Domestic companies Jan. 31 and July 31.		
Michigan.....	Feb. 15	236	§ Within 60 days after Jan. 1.		
Minnesota.....	Feb. 1	247	a Domestic companies Oct. 15.		
Mississippi.....	Jan. 30-July 30	258	b Companies pay tax on premiums received less reinsurances in authorized companies and return premiums.		
Missouri.....	Mar. 1	271	c Copies of annual statement filed with assessors.		
Montana.....	dApril 1	282	d Within 90 days after Jan. 1.		
Nebraska.....	April 1	289	e Within 60 days after May 1.		
Nevada.....	c	297	f First Monday in March.		
New Hampshire.....	Feb. 1	304	g At time of obtaining license.		
New Jersey.....	Feb. 15	316			
New Mexico.....	Feb. 1	322			
New York.....	Mar. 1	353			
North Carolina.....	Jan. 30-July 30	365			

VALUED POLICY.

Arkansas.....	49	Nebraska.....	289
California.....	56	New Hampshire.....	304
Delaware.....	97	North Dakota.....	371
Florida.....	103	Ohio.....	381
Georgia.....	112	Oregon.....	400
Idaho.....	126	Philippine Islands.....	415
Iowa.....	151	South Carolina.....	431
Kansas.....	157	South Dakota.....	440
Kentucky.....	171	Tennessee.....	448
Louisiana.....	184	Texas.....	459
Minnesota.....	247	Washington.....	488
Mississippi.....	258	West Virginia.....	493
Missouri.....	271		

STATE OFFICIALS HAVING AUTHORITY IN INSURANCE MATTERS.

Corrected to August 1, 1916.

STATE.	NAME.	ADDRESS.	TITLE.	Next Session of Legislature
Alabama.....	C. B. Smith.....	Montgomery...	Commissioner of Insurance...	Jan., 1910
Alaska.....	W. G. Smith.....	Juneau.....	Territorial Treasurer.....	Mar., 1917
Arizona.....	Cleveland C. Thompson	Phoenix.....	Superintendent of Insurance.	Jan., 1917
Arkansas.....	M. F. Dickinson.....	Little Rock.....	Aud. of State & Ins. Com.	Jan., 1917
California.....	J. E. Phelps.....	San Francisco...	Insurance Commissioner.....	Jan., 1917
Canal Zone.....	C. A. McIlvaine.....	Balboa Heights	Executive Secretary.....	
Colorado.....	E. R. Harper.....	Denver.....	Commissioner of Insurance...	Jan., 1917
Connecticut.....	Burton Mansfield.....	Hartford.....	Insurance Commissioner.....	Jan., 1917
Delaware.....	Wm. R. McCabe.....	Dover.....	Insurance Commissioner.....	Jan., 1917
District of Columbia..	Chas. F. Nesbit.....	Washington.....	Insurance Superintendent.....	Dec., 1917
Florida.....	John C. Luning.....	Tallahassee.....	State Treasurer.....	Apr., 1917
Georgia.....	W. A. Wright.....	Atlanta.....	Insurance Commissioner.....	June, 1917
Hawaii.....	C. J. McCarthy.....	Honolulu.....	Insurance Commissioner.....	Feb., 1917
Idaho.....	George F. Steele.....	Boise City.....	Insurance Commissioner.....	Jan., 1917
Illinois.....	Rufus M. Potts.....	Springfield.....	Insurance Superintendent.....	Jan., 1917
Indiana.....	D. J. Crittenberger.....	Indianapolis.....	Auditor of State.....	Jan., 1917
Iowa.....	Emory H. English.....	Des Moines.....	Commissioner of Insurance...	Jan., 1917
Kansas.....	Carey J. Wilson.....	Topeka.....	Superintendent of Insurance.	Jan., 1917
Kentucky.....	C. F. Thomas.....	Frankfort.....	Insurance Commissioner.....	Jan., 1918
Louisiana.....	James J. Bailey.....	Baton Rouge.....	Secretary of State.....	May, 1918
Maine.....	Erastus J. Carter.....	Augusta.....	Insurance Commissioner.....	Jan., 1917
Maryland.....	W. Mason Shehan.....	Baltimore.....	Insurance Commissioner.....	Jan., 1918
Massachusetts.....	Frank H. Hardison.....	Boston.....	Commissioner of Insurance...	Jan., 1917
Michigan.....	John T. Winship.....	Lansing.....	Commissioner of Insurance...	Jan., 1917
Minnesota.....	S. D. Works.....	St. Paul.....	Commissioner of Insurance...	Jan., 1917
Mississippi.....	T. M. Henry.....	Jackson.....	Insurance Commissioner.....	Jan., 1918
Missouri.....	Walter K. Chorn.....	Jefferson City..	Superintendent of Insurance.	Jan., 1917
Montana.....	Wm. Keating.....	Helena.....	Commissioner of Insurance...	Jan., 1917
Nebraska.....	W. B. Eastham.....	Lincoln.....	Insurance Commissioner.....	Jan., 1917
Nevada.....	George A. Cole.....	Carson City.....	State Controller.....	Jan., 1917
New Hampshire.....	R. J. Merrill.....	Concord.....	Insurance Commissioner.....	Jan., 1917
New Jersey.....	Geo. M. La Monte.....	Trenton.....	Insurance Commissioner.....	Jan., 1917
New Mexico.....	Jacobo Chavez.....	Santa Fe.....	Superintendent of Insurance..	Nov., 1917
New York.....	Jesse S. Phillips.....	Albany.....	Superintendent of Insurance.	Jan., 1917
North Carolina.....	James R. Young.....	Raleigh.....	Insurance Commissioner.....	Jan., 1917
North Dakota.....	W. C. Taylor.....	Bismarck.....	Commissioner of Insurance...	Jan., 1918
Ohio.....	Frank Taggart.....	Columbus.....	Superintendent of Insurance.	Jan., 1917
Oklahoma.....	A. L. Welch.....	Oklahoma City..	Insurance Commissioner.....	Jan., 1917
Oregon.....	Harvey Wells.....	Salem.....	Insurance Commissioner.....	Jan., 1917
Pennsylvania.....	J. Denny O'Neil.....	Harrisburg.....	Insurance Commissioner.....	Jan., 1917
Philippine Islands.....	H. H. Barrett.....	Manila.....	Insurance Commissioner.....	
Porto Rico.....	Allan H. Richardson.....	San Juan.....	Treasurer.....	Feb., 1917
Rhode Island.....	Charles C. Gray.....	Providence.....	Insurance Commissioner.....	Jan., 1917
South Carolina.....	F. H. McMaster.....	Columbia.....	Insurance Commissioner.....	Jan., 1917
South Dakota.....	M. H. O'Brien.....	Pierre.....	Insurance Commissioner.....	Jan., 1917
Tennessee.....	Wm. F. Dunbar.....	Nashville.....	Commissioner of Insurance...	Jan., 1917
Texas.....	John S. Patterson.....	Austin.....	Com'r. of Ins. and Banking.	Jan., 1917
Utah.....	John James.....	Salt Lake City..	Insurance Commissioner.....	Jan., 1917
Vermont.....	Guy W. Bailey.....	Essex Junction..	Secretary of State.....	} Jan., 1917
	Walter F. Scott.....	Brandon.....	State Treasurer.....	
Virginia.....	Joseph Button.....	Richmond.....	Commissioner of Insurance...	Jan., 1918
Washington.....	H. O. Fishback.....	Olympia.....	Insurance Commissioner.....	Jan., 1917
West Virginia.....	John S. Darst.....	Charleston.....	State Auditor.....	Jan., 1917
Wisconsin.....	M. J. Cleary.....	Madison.....	Commissioner of Insurance...	Jan., 1917
Wyoming.....	R. B. Forsyth.....	Cheyenne.....	State Auditor.....	Jan., 1917

CANADA.

Dominion of Canada..	Geo. D. Finlayson.....	Ottawa.....	Superintendent of Insurance.	
Alberta.....	W. V. Newson.....	Edmonton.....	Superintendent of Insurance.	
British Columbia.....	Ernest F. Gunther.....	Victoria.....	Superintendent of Insurance.	
Manitoba.....	A. E. Ham.....	Winnipeg.....	Superintendent of Insurance.	
New Brunswick.....	G. N. Babbitt.....	Fredericton.....	Deputy Provincial Treasurer.	
Newfoundland.....	Geo. Bursell.....	St. Johns.....	Accountant, Finance Dept.	
Nova Scotia.....	Fred. S. Mathers.....	Halifax.....	Deputy Provincial Secretary.	
Ontario.....	Arthur R. Boswell.....	Toronto.....	Supt. of Insurance.....	
Prince Edward Island.	A. Newbery.....	Charlottetown..	Assistant Provincial Treas.	
Quebec.....	Wm. Chubb.....	Quebec.....	Superintendent of Insurance.	
Saskatchewan.....	Arthur E. Fisher.....	Regina.....	Superintendent of Insurance.	

ALABAMA.

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 7189, Code, 1907 (as amended in 1909). “Any person who solicits insurance on behalf of any insurance company, or takes or transmits, other than for himself, any application for insurance, or any policy for insurance, to or from such company, or in any way gives notice that he will receive or transmit the same, or receives or delivers a policy of insurance of any such company, or examines or inspects a risk, or receives, collects or transmits any premium of insurance or makes or forwards any diagram of any building or buildings (except as a bona fide draughtsman), or countersigns any policy of insurance, or does or performs any other act or thing in the making or consummating of any contract of insurance with or for any insurance company other than for himself, or examines or adjusts, or aids in adjusting any loss for or on behalf of any such insurance company whether any such acts shall be done at the request or instance or by the employment of any insurance company, or of or by any other person (except those acting as attorneys at law), is deemed an insurance agent. For the doing of any of the acts aforesaid until such company shall have complied with the laws of the State, and received the proper license or certificate of authority from the Insurance Commissioner authorizing it to do business in this State, and until such person shall have received the proper certificate from the Insurance Commissioner authorizing such person to perform any of the acts of an agent for any such company, such person shall be guilty of a misdemeanor, and upon conviction shall be fined not less than one hundred dollars nor more than five hundred dollars, or may be imprisoned in the county jail not more than thirty days, or both, at the discretion of the court.”

Sec. 7715, Code of 1907—“Any person who acts as agent of any unlicensed foreign insurance company, must, on conviction, be fined in a sum equal to the State, county and municipal tax required to be paid by such company for license and five hundred dollars in addition thereto; and, on a second or other conviction, must be fined one thousand dollars, and may be imprisoned in the county jail, or sentenced to hard labor for the county, for not more than six months.”

AGENTS' LICENSES—Sec. 4561. “Every insurance company licensed to do business in this State under the provisions of this article, shall obtain from the Insurance Commissioner a certificate of authority for every individual agent writing or soliciting insurance for it in this State, and such certificate shall be renewable in January of each year.” Persons acting as agents of unadmitted companies may be fined not less than \$100 nor more than \$500, or imprisoned for not more than thirty days, or both. They are also held personally liable for losses under policies so written. Application for

annual licenses may be filed by any officer of company, not later than March 1; no seal required. A ruling of the Department of Insurance is as follows: "It is construed by this Department that any soliciting or writing of insurance or the countersigning of any insurance policy or policies by general or special agents, managers or other special representatives of insurance companies doing business in this State, whether such general or special agents, managers or special representatives reside within or without the State, makes it necessary for any such parties to procure the same certificate of authority from this Department as is issued to local agents." Sec. 2090, Code of 1907—"When any person shall do or perform any of the acts, the doing or performing of which by him for any insurance company not organized under, or incorporated by, the laws of this State, renders him the agent of such company under the provisions of this code, such company shall be held to be doing business in this State, and shall be subject to taxation for State, county and municipal purposes in this State; and such person so doing or performing any of such acts shall be personally liable for such taxes."

ANNUAL STATEMENTS—Must be filed on or before March 1. Penalty for failure to make and publish statement, \$250 fine and expulsion for one year; for making false statement, not less than \$500, nor more than \$1000 fine, and, if sworn to, punishment for perjury. Time for filing may be extended for good cause. This and tax statement only ones required.

ANTI-COINSURANCE—No requirement.

ANTI-COMPACT—Sec. 4594. "Every contract or policy of insurance made or issued since the 18th day of February, 1897, shall be construed to mean that, in the event of loss or damage thereunder, the assured or beneficiary thereunder, in addition to the actual loss or damage suffered, recover twenty-five per cent of the amount proven to be due the assured under such policy or policies, any stipulation or provision in such contract or policy to the contrary notwithstanding, if at the time of making such contract or policy of insurance or subsequently before the time of trial, the insurer belonged to, or was a member of, or in any way connected with any tariff association or such like thing by whatever name called or who had made any agreement or had any understanding with any other person, corporation or association engaged in the business of insurance as agent or otherwise about any particular rate of premiums which should be fixed or charged or fixed for any kind of class of insurance risk; and provided the right of action shall accrue fifteen days after the proof of loss had been filed with the home office of the insuring company, or in the hands of a duly qualified agent of the company. Provided always, however, that the penalty named herein shall not be enforced against any company which pays or offers to pay the assured or the beneficiary the full amount of the loss ascertained and proven to be due within sixty days after proof of loss. Sec. 4595: "Upon the trial of action founded upon insurance policies, if it shown to the reasonable satisfaction of the jury or the court trying the

facts, that such insurer at the time of making of such agreement or policy of insurance subsequently before the time of trial belonged to, or was a member of, or in any way connected with any tariff association or such like thing by whatever name called, either in or out of this State or had any agreement or had any understanding either in or out of this State with any other person, corporation or association engaged in the business of insurance as agent or otherwise about any particular rate of premium which should be charged or fixed for any risk of insurance on any property located in the State of Alabama, they must, if they find for the assured or beneficiary in addition to the actual damages, assess and add twenty-five per cent of the amount proven to be due the assured under such policy or policies, and judgment shall be rendered accordingly whether claimed in the complaint or not." Sec. 4596. "This article shall be liberally construed to accomplish its object."

ANTI-DISCRIMINATION—Under Sec. 4579 no insurance company, nor any agent thereof, shall pay or allow, or offer to pay or allow, as inducement to insurance, any rebate of premiums payable on the policy; nor shall any particular policyholder of the same class be allowed any advantage or any valuable consideration or inducement whatever not specified in the policy. Penalty for violation, a fine of \$100 to \$500 for first offense, and not less than \$250 for each subsequent offense.

ATTORNEY—Insurance Commissioner must be empowered to accept service of legal process.

CANCELLATION OF POLICY—No law requiring notice to insured.

CAPITAL REQUIRED—Company must have at least \$100,000 paid-up cash capital or surplus above all liabilities of \$100,000.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Foreign company must have \$200,000 invested in bonds of Alabama or of the United States, or of some State in the United States, or other good securities satisfactory to the Insurance Commissioner, on deposit in Alabama or some other State.

DOMESTIC COMPANIES—Must have at least \$100,000 of paid-in capital. Declaration must be filed with probate judge of the county, and the latter's certificate must be filed with the Secretary of State. Dividends can only be declared from surplus profits. Companies permitting policyholders to participate in profits may change plan to non-participation on due notice and consent of majority of stockholders. The promoters of a new company, before selling its stock, must appoint the Insurance Commissioner attorney and secure a permit.

EXAMINATIONS—Examination of a company must be made if a complaint is made against it. Party making complaint must give bond to cover expenses. If complaint is proved, company must pay expenses. Refusal to permit examination shall forfeit right to do business in the State. On refusal to pay for examination, the Insurance Commissioner may bring suit. Regular examinations made whenever the Insurance Commissioner may

deem it prudent for the protection of the policyholders in the State. Domestic companies must be examined at least once every two years or upon the request of five or more stockholders or persons pecuniarily interested therein, who make affidavit that they believe a company to be in unsound condition. Expenses must be paid by companies. Penalty for obstruction of examination, revocation of license for one year.

FEES—Sec. 4577 provides that the Insurance Commissioner shall collect from each company filing copy of charter or deed of settlement and financial statement \$101, and same amount with each annual statement thereafter, for the privilege of carrying on its business in the State of Alabama; for each certificate, or renewal thereof, to an insurance agent or solicitor, \$4, and for each official seal impressed on such certificate, \$1 (each member of a firm or corporation must have an individual certificate); for copies of any papers on file or deposited with the Insurance Commissioner, or in his office, 10 cents per hundred words. For each fire adjuster, \$5; not to be charged till adjuster has had 2 years' experience. Fee for permit to company payable Jan. 1 to Secretary of State, \$10 per annum.

FIRE DEPARTMENT TAX—Cities of 100,000 or more population may levy $1\frac{1}{2}$ per cent tax on premiums for Firemen's Pension Fund.

FIRE MARSHAL—Provision is made for investigation of fires by the Insurance Commissioner. (See "Taxes.")

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—Where no specific penalty for a violation of law is provided, a fine not exceeding \$500 may be imposed. If a fine is not paid when due, the company forfeits right to do business in the State.

IMPAIRMENT—When capital of "foreign" company is impaired, its license must be revoked; when capital of domestic company is impaired to the extent of twenty per cent, Commissioner must notify company to make it good within sixty days.

INVESTMENTS PRESCRIBED—At least \$50,000 must be invested in bonds of the United States or other good securities, to be certified as such by the Insurance Commissioner of the State in which the company is organized. Foreign companies' deposits in the United States may consist of "bonds of this State or of the the United States, or of some State in the United States, or of other good securities satisfactory to the Insurance Commissioner."

LICENSED BROKERS—Sec. 4581. "That any person who may desire to place his insurance in foreign companies not authorized to do business in this State may place such insurance, but the person placing such insurance shall at once make return of his action in this behalf to the Insurance Commissioner, together with one per cent on the gross premiums received on the insurance placed, and it shall be lawful under such contracts for any person to adjust a loss under same." When a loss is adjusted under a policy so placed, the adjuster or the company shall cause to be paid to the Insurance Commissioner one-half of one per cent of the amount paid for such loss.

LIMIT ON A SINGLE RISK—No requirement.

LLOYDS—Sec. 4568. "That associations of individuals, whether organized within the State or elsewhere, formed upon the plan known as "Lloyds"—whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by policy—may be authorized to transact business of insurance, other than life, in this State, in like manner and upon the same terms and conditions as are required of and imposed upon insurance companies regularly organized. Provided, however, that all such Lloyds, whether organized within this State or elsewhere, not having an actual paid-up cash capital, shall make the same deposit as required by Sec. 4563, of foreign insurance companies incorporated or associated under the laws of any government or State other than the United States or one of the United States." Inter-insurance is regulated by law of 1915.

MISCELLANEOUS—Companies insuring property of cotton manufacturers exclusively are exempt from compliance with the provisions of Art. I. of the Insurance Law.

Law of August 25, 1909—"That on and after the first day of January, 1910, it shall be unlawful for any agent, or any one acting in the capacity of an agent of any fire insurance company authorized to transact business in the State of Alabama to disclose to the agent, or representative of another fire insurance company, or any one acting in the capacity of agent or representative of another fire insurance company, the rates, premiums or price at which any insurance policy has been written, without first procuring in writing the consent of the owner, or owners, of the property insured. Provided, that nothing in this act shall be construed to affect or prevent bona fide reinsurance contracts; and provided, further, that nothing in this act shall be construed to prevent members of rate making associations or similar bodies from disclosing to other members of such associations, or bodies, the rates, prices, or premiums at which insurance may be written." Penalty, fine of \$25 to \$100, or imprisonment for 30 to 90 days, or both. Consolidations of insurance companies must be approved by the Insurance Commissioner.

MUTUAL COMPANIES—No provision.

PRELIMINARY DOCUMENTS—Copy of charter must be filed with the Insurance Commissioner; also a verified statement showing the condition of the company Dec. 31 preceding. Foreign companies must file certified copy of charter, certificate of deposit and certified copy of record of appointment of trustees, and deed of trust. Certificate of compliance with laws of company's home State and certificate of deposit are required annually. Copy of charter, appointment of Insurance Commissioner as attorney to accept service, and certificate of deposit (of foreign companies) need be filed but once. Before receiving a license, each company must file an affidavit that it has not violated the resident agents' law in the preceding year, and it accepts its obligations as a part of the consideration of its license.

PUBLICATION—Statement must be published once in a daily or weekly newspaper of general circulation in the State, and copy of paper containing statement must be filed with Insurance Commissioner within thirty days after license is issued. Charge for publication (payable direct to such paper), is usually \$10. (Not fixed by statute.)

RECIPROCAL LAW—Sec. 4595. "Whenever the existing or future laws of any other State of the United States shall require of the insurance companies incorporated by, or organized under, the laws of this State, or the agents thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, greater than the amount required for similar purposes from similar companies of other States by the then existing laws of this State, then, in every such case, all companies of such States establishing, or having heretofore established, an agency or agencies in this State, shall be, and are hereby, required to make the same deposit for a like purpose with the Treasurer of the State, and to pay into the treasury of this State the taxes, fines, penalties, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed by the law of such State upon companies of this State and the agents thereof."

REINSURANCE—No law forbidding reinsurance in any companies.

REINSURANCE RESERVE—Fifty per cent of the premiums received on policies having less than one year to run, and pro rata on those for longer periods.

RESIDENT AGENTS—Sec. 4561, Code of Alabama, 1907. "Insurance companies not incorporated by the laws of the State of Alabama, but legally authorized to do business in this State through regularly commissioned and licensed agents located in this State, shall not make contracts of insurance on life or property herein save through agents of such companies regularly commissioned and licensed to write policies of insurance in Alabama; but this act shall not apply to fire insurance companies covering actual property of railroad companies engaged in inter-State commerce." Penalty for violation, forfeiture of right to do business in the State for one year.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None prescribed.

TAXES. Act No. 469, laws of 1915, Sec. 59 (b).—Each fire or marine insurance company shall pay one and one-half dollars on each one hundred dollars, and every other insurance company shall pay two dollars on each one hundred dollars of the gross premiums received by it for business done in this State, less return premiums, whether the same are actually received by said company in this State, or elsewhere, during the year ending the 31st day of December preceding, as a tax or license for doing business in this State; provided that any domestic insurance company shall pay only one dollar on each one hundred dollars of gross premiums, less return premiums so received by it for business done in this State, whether the same be actually received in this State, or elsewhere, and no credit or deduction of any kind shall be allowed or made on account of the

cost of reinsurance taken by such company in a company not authorized to do business in this State; provided, however, that any insurance company for its first year's business in Alabama, shall pay a flat privilege or license tax for the use of the State in the sum of Five hundred dollars. The books of said company shall be accurately kept, and shall show the date of receipt and number of policy and character and amount of each premium so received by it for business done in this State, and the name and address of each person from whom such premium was received. Said books shall always be open to the inspection of the insurance commissioner and the State board of equalization. Any insurance company failing to file such statement with the insurance commissioner, or wilfully failing to keep its books in substantial compliance with the provisions of this section, or refusing to allow an inspection of its books at any time by the insurance commissioner, shall be guilty of a misdemeanor, and shall pay to the State, in addition to said taxes, the sum of five hundred dollars within sixty days from the date of notice from the insurance commissioner of such delinquency, and shall be liable to a penalty of double the amount of such tax or license, and shall also be barred from transacting any business of insurance in this State until said taxes and penalties are fully paid. No officer or any board shall have any power or authority to remit or compromise any portion of the penalties herein prescribed. * * * (For balance of section, see "Municipal Taxes and Fees.")

TAX STATEMENTS—Must be filed on or before March 1. Penalty for failure to make returns of premiums, \$500, and for non-payment within 60 days, revocation of license until taxes and penalties are paid.

VALUED POLICY—None.

COUNTY TAXES AND FEES.

None. (Act 469, laws of 1915, Sec. 59.)

MUNICIPAL TAXES AND FEES.

Act No. 469, laws of 1915, Sec. 59 (b).—" * * * After the year 1915, no license of privilege tax, or other charge for the privilege of doing business, shall be imposed by any municipal corporation upon any fire or marine insurance company doing business in such municipality, except upon a percentage of each one hundred dollars of gross premiums less return premiums on policies issued during the preceding year on property located in such municipalities; provided that such percentage shall not exceed four dollars on each one hundred dollars and major fraction thereof of such gross premiums; and no credit or deduction of any kind shall be allowed or made on account of the cost of reinsurance taken by such company in a company not authorized to do business in this State; provided, however, that any municipality may charge a flat minimum license at the beginning of each year for new companies doing business therein on which there shall be an adjustment at the expiration of such year upon such percentage basis as may be fixed by said municipality; and

provided further, that such percentage shall not exceed four per cent of the gross premiums less return premiums collected by such companies on policies issued during the preceding year in such municipality. And in addition to said amount paid the State, there may by ordinance be levied and collected by the several cities and towns of the State from every insurance company other than fire and marine insurance companies * * *. Upon the payment or tender of the amount named in such ordinance to any city or town, any such insurance company which is authorized to do business in this State shall be permitted to do business in said city or town, through its agents, who shall not be subject to or required to pay a further privilege or occupation tax for representing such company or soliciting business for it. On the thirty-first day of December of each year, or within sixty days thereafter, each insurance company which did any business in any city or town in this State during any part of the preceding year shall, if a license or privilege tax is imposed by said city or town on such insurance companies, furnish the mayor or executive head of such city or town a statement in writing duly certified, showing the full and true amount of gross premiums, less return premiums, received during the preceding year, as provided under this act, and shall accompany such statement with the amount of license due according to the foregoing schedule. Failure to furnish such statement, or to pay such sum, shall subject the company and its agents to such penalties as the ordinance of such city or town may prescribe for doing business therein without a license."

(Note: A considerable number of towns had not altered their licensing systems up to the date of publication of this book; hence the flat rates mentioned below.)

ABBEVILLE—For each company, \$20, payable January 1.

ALABAMA CITY—For each company, \$25, payable January 1.

ALBERTVILLE—For each company, \$10 and 1 per cent of premiums, payable January 1.

ALEXANDER CITY—For each company 4 per cent on earned premiums; new companies \$15, adjusted at end of year on percentage basis.

ALICEVILLE—For each company, 3 per cent of premiums, payable January 1.

ANDALUSIA—For each company, \$25.50, not later than March 1.

ANNISTON—For each company, 4 per cent of premiums; for each company beginning business, \$150, adjusted at end of year on percentage basis.

ASHLAND—For each company, \$5.

ATHENS—For each company, 4 per cent of gross premiums, payable January 1.

ATMORE—For each agent or agency firm, \$10 per annum, payable January 1.

ATTALLA—For each company, \$10; for each agent, \$10, payable January 1.

AUBURN—For each company, \$10, payable January 1.

BAY MINETTE—For each company, 2 per cent of gross premiums.

BESSEMER—For each company, 4% of premiums on previous year's business less return premiums; for new companies, \$10, payable January 1.

BIRMINGHAM—For each company, 2½% per cent of premiums; for each

- company beginning business \$100, adjusted at end of year on percentage basis; each insurance adjuster, \$50; fee for issuing license, 50 cents.
- BOAZ—For each company, \$10.
- BREWTON—For each company, 4 per cent of premiums, payable February 1.
- BRANTLEY—For each agent, \$5.50, payable by January 15.
- BRIDGEPORT—For each company, \$5, payable January 1.
- BRUNDIDGE—For each company, \$10, payable January 1.
- CALERA—For each agent, \$5, payable January 1.
- CAMDEN—For each company, \$5.50, payable January of each year.
- CAMP HILL—For each company, \$10.50, payable January 1.
- CARBON HILL—For each company, \$5 and 2½ per cent of gross premiums, payable January 1.
- CARROLLTON—For each company, \$5, payable January 1.
- CENTERVILLE—For each company, \$2.50; for each agent, \$2.50, payable January 1.
- CHILDERSBURG—For each company, \$10.
- CLANTON—For each company, 3 per cent on gross less return premiums, payable January 1.
- CLAYTON—For each company, \$10, payable January 1.
- CLIO—For each company, 4 per cent of premiums; for each company entering, \$20, payable January 1.
- COLLINSVILLE—For each company, \$10.
- COLUMBIA—For each agent or agency, \$10, payable October 1.
- COLUMBIANA—For each company, 4 per cent of premiums, payable January 1.
- CORDOVA—For each company, 4 per cent of net premiums, payable January 1.
- CUBA—For each company, \$5.
- CULLMAN—For each company, 2 per cent of net premiums, payable March 1; for each company which did no business in city in preceding year, \$10, adjusted at end of year on percentage basis. Fee, 50 cents.
- DADEVILLE—For each company, \$10.25, payable January 1.
- DECATUR—For each company, 4 per cent on net premiums, payable March 1.
- DEMOPOLIS—For each company, 4 per cent of premiums, payable January 1; for each company entering, \$25.50, adjusted at end of year on percentage basis.
- DOTHAN—For each company, 4 per cent of premiums, payable January 1.
- EAST LAKE—For each company, \$10.50.
- ELBA—For each company, percentage tax on premiums, payable July 1.
- ENSLEY—For each company, 2 per cent of premiums, payable January 10.
- ENTERPRISE—For each company, 4 per cent of gross premiums, payable January 1.
- EUFAULA—For each company, 4 per cent of gross premiums; agents of unlicensed companies, \$50.
- EUTAW—For each company, \$10, or 4 per cent of gross premiums.
- EVERGREEN—For each company, 3 per cent of gross premiums, less cancel-

- lations, and fee of 50 cents; for each company entering, \$10, adjustable at end of year, payable January 1.
- FALKVILLE—For each company, \$5, payable January 1.
- FAUNSDALE—For each company, 4 per cent of premiums, payable January 1.
- FAYETTE—For each company, \$2.50, payable January 1.
- FLORALA—For each company, 4 per cent of net premiums, payable January 1.
- FLORENCE—For each company, 4 per cent of gross premiums; for company which did no business in city in preceding year, \$50, adjustable at end of year, payable January 15.
- FORT DEPOSIT—For each company, \$10.50, payable January 1. (After July 1, \$5.50.)
- FORT PAYNE—For each company, \$15.50, payable January 1.
- FRUITHURST—For each agent, \$2.50, payable January 1 and July 1.
- GADSDEN—For each company, $2\frac{1}{2}$ per cent of premiums, payable March 4.
- GENEVA—For each company, \$10; for each agent, \$5, payable January 1.
- GEORGIANA—For each company, \$10.50, payable January 1.
- GIRARD—For each company, \$10, payable by January 15.
- GOODWATER—For each company, 4 per cent of premiums; minimum \$10.50, payable January 1.
- GREENSBORO—For each company, 4 per cent on first \$100 of premiums; 1 per cent on next \$500, and one-half per cent on balance; also \$5 payable January 1.
- GREENVILLE—For each company, 4 per cent of premiums, payable January 1.
- GUNTERSVILLE—For each company, 4 per cent of premiums, or \$10, payable January 1.
- GURLEY—For each company, \$5, payable January 1.
- HARTSELLE—For each company, $2\frac{1}{2}$ per cent; when commencing business, \$10, January 1.
- HEADLAND—For each company, \$15, payable January 1.
- HEFLIN—For each company, \$10, or 4 per cent of net premiums, payable by January 15, or when entering business.
- HUNTSVILLE—For each company, 4 per cent of net premiums, payable January 1.
- HURTSBORO—For each company, \$5.50, payable January 1.
- JACKSON—For each company \$10 for first year, thereafter $2\frac{1}{2}$ per cent on gross premiums.
- JACKSONVILLE—For each company, \$10 per annum, payable semi-annually January 1 and July 1.
- JAMES—For each agent, \$25.
- JASPER—For each company, 4 per cent of premiums, payable January 1.
- LAFAYETTE—For each company, \$15.50, payable January 1.
- LANETT—For each company, \$10 and 1 per cent of gross premiums less return, payable January 1.
- LEEDS—For each agent, \$5; for each company, \$5.
- LINDEN—For each company, \$10 per annum, payable January 1.

- LINEVILLE—For each company, \$10.50, payable January 1.
- LIVINGSTON—For each agent, \$5.50, payable January 1.
- LOUISVILLE—For each company, 4 per cent of premium less return premiums, payable Jan 1.
- LUVERNE—For each company, 4 per cent of premiums, payable January 1.
- MARION—For each company, 4 per cent of gross premiums, payable January 1 to 15.
- MOBILE—For each company, 4% of gross premiums, less cancellations; new companies, \$100 flat, adjusted on 4 per cent basis at end of year, payable March 1 of each year.
- MONTEVALLO—For each company, \$5, payable January 1.
- MONTGOMERY—For each company, \$4 on each \$100 or major fraction thereof, of gross premiums, less return premiums, payable January 1. Company beginning pays \$100, subject to adjustment.
- NAUVOO—For each company, \$5, payable September 1.
- NEW BERNE—For each company, \$10, payable March 15.
- NEW BROCKTON—For each company, \$10, payable January 1.
- NEW DECATUR—For each company, 2½ per cent on each \$100 of gross premiums, payable January 1.
- NEWTON—For each company, \$5, before commencing business.
- NOTASULGA—For each agent, \$5, payable January 1.
- OAKMAN—For each agent, \$12.25.
- ONEONTA—For each company, 2 per cent net premiums.
- OPELIKA—For each company, 4 per cent of premiums; for company entering, \$50.50 (after July 1, \$25.50), adjusted on percentage basis at end of year.
- OXFORD—For each company, \$15, payable January 1.
- OZARK—For each company, \$20, payable January 1.
- PELL CITY—For each company, 4 per cent of each \$100 of net premiums, payable January 1.
- PENSACOLA—For each company, \$37.50; for each agent, \$5, payable Oct. 1.
- PHENIX—For each agent of each company, \$10, payable January 1.
- PIEDMONT—For each company, \$10, payable January 1.
- PINCKARD—For each company, \$5, payable January 1.
- PINEAPPLE—For each agent, \$5, payable in January.
- PRATT CITY—(Part of Greater Birmingham.)
- PRATTVILLE—For each company, \$5, payable May 1.
- ROANOKE—For each company, \$15.50, payable January 1 and July 1.
- RUSSELLVILLE—For each company, \$5, payable January 1.
- SAMSON—For each company, \$10, payable January 1.
- SCOTTSBORO—For each company, 2 per cent on gross premiums; for each company commencing business, \$10, payable January 1.
- SELMA—For each company, 4 per cent of gross premiums; company entering, \$150, adjusted on percentage basis at end of year; payable January 1.
- SHEFFIELD—For each company, 4 per cent of net premiums; for each com-

- pany entering, \$25, adjusted on percentage basis at end of year, payable January 1.
- SLOCOMB—For each company, \$5, payable January 1.
- STEVENSON—For each company, \$10.50, payable January 1.
- SULLIGENT—For each company represented, \$7.50, payable January 1.
- SYLACAUGA—For each company, 4 per cent of net premiums; for each company entering, \$15, adjusted at end of year.
- TALLADEGA—For each company, 3½ per cent of premiums.
- THOMASTON—For each company, 2½ per cent of premiums, payable January 1.
- THOMASVILLE—For each company, 4 per cent of gross premiums, payable January 1.
- THORSBY—For each company, \$5 (50 cent fee), payable annually, January 1.
- TROY—For each company, 3 per cent of net premiums, payable January 1.
- TUSCALOOSA—For each company, 4 per cent of premiums, payable March.
- TUSCUMBIA—For each company represented, 4 per cent of net premiums, payable January 1.
- TUSKEGEE—For each company, 4 per cent of net premiums, payable January 1.
- UNION SPRINGS—For each company, 3 per cent of premiums, payable January 1.
- UNIONTOWN—For each company, \$15.50, payable January 1.
- VINCENT—For each company, \$10, payable February 1.
- WARRIOR—For each agent, \$5.
- WEST BLOCTON—For each company, \$10, payable January 15.
- WETUMPKA—For each company, 4 per cent on premiums received on policies written previous year, payable January 1.
- WOODLAWN—For each company, \$16, payable February 1.
- YORK—For each company, \$5, payable January 1.

ALASKA.

AGENTS' LICENSES—Title I, Chap. 1, Sec. 29, Civil Code, approved June 6, 1900. "Any person or persons, corporation or company, prosecuting or attempting to prosecute any of the following lines of business within the District of Alaska shall first apply for and obtain license to do so from a District Court or a subdivision thereof in said district, and pay for said license for the respective lines of business and trade as follows, to wit: Insurance agents and brokers, \$25 per annum."

ANNUAL STATEMENTS—Must be filed with the Territorial Treasurer on or before March 1, and must state the amount of all premiums collected or contracted for in Alaska during the preceding calendar year; the amounts actually paid policyholders on losses, as return premiums, and as dividends; the amount of insurance reinsured in other authorized companies and the premiums paid therefor, with similar information as to reinsurance in unauthorized companies, naming them; the amount of reinsurance accepted from admitted companies and the premiums received for such reinsurance on risks located in Alaska, with the names of the companies reinsured.

ATTORNEY—A resident citizen of Alaska must be authorized to accept service of legal process.

FEES—Act of April 29, 1915. Chapter 57. Section 9. "The Secretary of the Territory shall collect from each company or person for the service provided in this act, the following fees: For filing original certificate of qualification, \$25; for filing power of attorney, \$5; for filing annual certificate of qualification, \$15." Clerk of court, for issuing license to agent or broker, \$25.

GENERAL PENALTY—Chap. 57, law of April 29, 1915. "Any officer, agent or employee of any insurance company or other person violating any of the provisions of this act shall be fined not less than \$100 nor more than \$500, and in default of payment of such fine shall be imprisoned not less than ten days nor more than six months."

LLOYDS.

PRELIMINARY DOCUMENTS—Act of April 29, 1915, Chapt. 57. Sec. 1. "No company, corporation, association, firm or individual shall be permitted to transact a life, fire or marine insurance business in the Territory of Alaska until he or it has filed in the office of the Secretary of the Territory and in the office of the Clerk of the District Court for the division wherein the business of insurance is intended to be carried on, a certificate by the Secretary of State, or other proper officer of some State of the United States or the Territory of Alaska, setting forth that the said company, corporation, association, firm or individual is qualified to carry on the business of insurance in such State in accordance with the laws thereof." Sec. 2. "Such insurance company, corporation, association, firm or individual, shall also file, at the same time and in the same offices, a power of attorney which shall set forth that such company is a corporation or duly organized insurer

(naming the principal place of business of the company and principal place of business for the Pacific Coast), which power of attorney shall authorize a citizen and resident of the Territory of Alaska to receive and accept service in any proceeding in a court of justice of the Territory." Sec. 3. "In case of the death, removal from the Territory, or disqualification of the person so designated by power of attorney, it shall be the duty of the Clerk of the District Court to notify such company; and it shall be the duty of such company, within sixty days thereafter, to designate another person in the manner hereinbefore provided." The certificates mentioned above must be renewed annually on or before July 1. Company failing to file renewals and desiring to file same thereafter shall pay \$2.50 to the Secretary of the Territory, in addition to the regular filing fee. The act applies to all insurers. Penalty for violation, \$100 to \$500 fine, or imprisonment for from 10 days to 6 months. Every person or company carrying on an insurance business must obtain a license from the Territorial Treasurer.

TAXES—A tax of 1 per cent upon all premiums collected or contracted for is payable to the Territorial Treasurer. In the case of fire or marine insurance companies, there may be deducted from the gross amount of premiums the amounts paid to policyholders as returned premiums and the amount paid as premiums to admitted companies for reinsurance. Taxes are due and payable on or before March 31. Failure to pay taxes for more than 30 days after due is punishable by a forfeiture of double the amount due, and the company shall be prohibited from doing any more business in Alaska until such fine is paid, and shall also pay as a further penalty a sum equal to 10 per cent of such forfeiture for every week that the same remains unpaid.

ARIZONA.

STATE REQUIREMENTS.

AGENTS DEFINED—"Agent" or "Insurance Agent" is a person, copartnership, corporation attorney, board or committee duly appointed and authorized by an insurance company to solicit applications for insurance, to be known as a soliciting agent, or to solicit applications and effect insurance in the name of the company, to be known as a recording or policy-writing agent, and to discharge such other duties as may be vested in or required of the agent of the company.

AGENTS' LICENSES—Agents must procure licenses for each company they represent from the Corporation Commission, on or before April 1 in each year. Penalty for acting as agent for unauthorized company, fine of \$500 and \$100 additional for each month such violation is continued. General agents authorization must be filed with Insurance Department. A firm or agency corporation is licensed for a single fee.

ANNUAL STATEMENTS—Must be filed on or before March 1 of each year with the Corporation Commission. Penalty for failure to file statement, liability to fine of \$25 every day after 30 days from March 1. This and tax statement only ones required. Statement must show separately premiums received in each city of the State having a population of 3000 or over.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—The anti-trust law of May 18, 1912, may be construed as relating to insurance, although the latter is not specifically named.

ANTI-DISCRIMINATION—Sec. 25, Ins. Code, provides that no insurance company, licensed insurance agent, solicitor or broker, personally or by any other party, shall pay or offer to pay any compensation not specified in the contract of insurance. Nor shall any insured accept from any company or agent, etc., any compensation or rebate of premium of any description as inducement for insurance.

ATTORNEY—Each member of the Corporation Commission must be appointed attorney, upon whom all processes may be served (Sec. 9, Ins. Code).

CANCELLATION OF POLICY—Sec. 57. "Any fire insurance policy may be cancelled at any time by the insurer, giving the insured or his representative in charge of the property insured, and the mortgagee, if the interest of the mortgage is covered in the policy, five days' notice of such cancellation in writing, and, at the expiration of such five days' notice of such cancellation in writing, all liability on the part of the company shall cease, provided that the company shall, on surrender of the policy, provided that the premium thereon has been paid, pay the insured the return premium, computed at pro rate for the unexpired time of the policy, or the customary short rate where the insurance is cancelled by the insured; and in the event

of the refusal of the company to pay such return premium the liability of the company shall continue until such return premium is paid."

CAPITAL REQUIRED—Company must have at least \$200,000 capital, fully paid in, must transact no other business of insurance except Team and Vehicle, and that when \$50,000 additional capital is paid in.

COMMISSIONS TO NON-RESIDENTS—Commissions on Arizona risks must be paid to resident agents. The Superintendent of Insurance has ruled that no company will be permitted to make any discrimination in the amount of commissions paid, no matter where the business might originate; that the situs of the property governs where the commissions should be paid.

DEPOSIT—No special deposit is required, but provisions are made for the deposits required by other States of domestic companies.

DOMESTIC COMPANIES—Sec. 41. "The following number of citizens of the United States, two-thirds of which number shall be residents of the State of Arizona, may incorporate a company as follows: For a stock company not less than five; for a mutual company, not less than ten; for one more of the purposes specified in Sec. 40 of this act, by making and subscribing written articles of incorporation in triplicate and acknowledging same before an officer authorized to take acknowledgment of deeds, and after having the same approved by the Corporation Commission by filing one copy of such articles with the Corporation Commission, another in the recorder of the county in which the principal office of the company is to be located, and retaining one in the possession of the company."

EXAMINATIONS—Sec. 2, Ins. Code. "Whenever the Corporation Commission shall determine it to be prudent for the protection of policyholders in this State, the Commission shall appoint some competent person or persons for the purpose of visiting the home office of any insurance company applying for a license to transact business in this State, or which may be transacting business this State, whether domestic or otherwise, and examine into the affairs of any company organized under the laws of this State or having any office in this State, which company is engaged in, or is claiming or advertising that it is engaged in, organizing or receiving subscriptions for or disposing of stock of or in any manner adding or taking part in the formation or business of an insurance company or companies, or which is holding capital stock of one or more insurance companies for the purpose of controlling the management thereof as voting trustee or otherwise, and thoroughly inspect and examine its affairs to ascertain its true financial condition, its ability to meet and fulfil its obligations, whether it has complied with the provisions of law and all other facts that the Corporation Commission may require relating to its business methods and management and its dealings with policyholders."

FEES—For filing annual statement, \$25; for issuing certificate of authority, \$50; for issuing each renewal of certificate of authority, \$30; for filing articles of incorporation, \$25; for filing amendments to charter, \$10; for

copy of papers filed with Corporation Commission, twenty cents; for filing miscellaneous papers (each), \$1; for each agent's license, \$2; for appointment of attorney, \$5. These fees payable to the Corporation Commission. Company bears expenses of examination.

FIRE DEPARTMENT TAX—None.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENT—Not required to be filed.

GENERAL PENALTY—Sec. 55 provides that violations of any provisions of the code, not specified definitely, will be deemed misdemeanors, and shall be punishable as such.

IMPAIRMENT—Sec. 6, Ins. Code, provides that when a company has its capital stock impaired to the amount of 20 per cent., or that its assets are insufficient to justify its continuance in business, it must repair the deficiency or have its license revoked. Sec. 7. When mutual companies are deemed to have inadequate assets their licenses shall be revoked and no new policies issued.

INVESTMENTS PRESCRIBED—Investments must be on interest-bearing bonds or loans of the United States Government or any of the States, or any county, city or town of any of the States of the United States. In mortgage loans worth 50 per cent more than the amount loaned thereon, exclusive of buildings unless insured and the policies transferred to the company. Balance over required capital stock may be invested in interest-bearing bonds of any corporation of any State of the United States or of the District of Columbia with approval of the Corporation Commission. Domestic companies must report investments quarterly—January, April, July and October. Domestic companies may invest in real property for home office buildings, provided that no such investment will reduce the amount of the surplus assets, exclusive of such investments, to less than 50 per cent of minimum capital required.

LICENSED BROKERS—Insurance or agreements with unauthorized companies must be reported annually and a tax of 15 per cent of actual cost of indemnity and gross premiums charged must be paid. (Sec. 37, Ins. Code 1913.)

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Persons, partnerships, or associations of persons must comply with laws relating to corporations, as to capital, etc. Inter-insurance exchanges are exempt.

MISCELLANEOUS—Companies must furnish insured with blanks for proofs of loss within twenty days after application for same, or be debarred from requiring proofs from the insured as a precedent to settlement. Copy of any application for insurance which, by the terms of the policy, is made a part of the contract, or is referred to therein, or which may in any manner affect the validity of such policy, must be attached to the policy, or the company is precluded from pleading, alleging or proving any such appli-

cation, in an action upon such policy, and the plaintiff shall not be required to plead or prove such application, but has the option of so doing. Time for commencing suit shall not be limited to less than two years. Non-payment of a loss within time specified in policy subjects company to additional penalty of 15 per cent and attorneys' fees. No suit over policy may be taken to a Federal court. Projected companies are subject to supervision.

MUTUAL COMPANIES—Provisions are made under Sec. 42 of Ins. Code for the classification of mutual companies into four classes, namely: (1) Companies formed to transact general fire insurance on a cash premium plan; (2) companies formed to transact fire insurance business under a cash premium plan on one particular and stated kind of mercantile or manufacturing property; (3) companies formed to transact a general fire insurance on an assessment plan; (4) companies formed to transact fire business on the assessment plan outside of incorporated towns in this State. Sec. 44. "No alien or foreign mutual fire insurance company shall be licensed to make insurance in this State until it shall have accumulated from its underwriting business and earnings surplus assets of not less than \$100,000, and shall have a reinsurance reserve computed on pro rata basis, which surplus assets, if an alien, shall be maintained on deposit in a depository or depositories for insurance company funds in some State or States of the United States. Such company shall not carry insurance on a single risk, for an amount in excess of ten per centum of its surplus assets, as shown by the latest report to the Corporation Commission, without protecting such excess by reinsurance in a solvent company."

PRELIMINARY DOCUMENTS—Company must file with the Corporation Commission a copy of its charter or articles of incorporation, a statement showing its condition, and acceptance of provisions of Ins. Code of 1913, and receive from him a certificate of authority to do business. Penalty for doing business in Arizona without authority, fine of \$100 to \$500.

PUBLICATION—No company or agent thereof shall advertise assets except those actually owned and available for payment of losses and claims. Every advertisement showing a company's financial condition shall correspond with its verified statement to the Corporation Commission. Penalty for violation from \$200 to \$500.

RECIPROCAL LAW—Sec. 19, Ins. Code, provides that any taxes, fines, penalties, licenses, fees, deposits, etc. (in excess of those imposed by this State upon foreign companies) by any other State on domestic companies of this State shall be imposed on the companies and agents of that State when transacting business in Arizona.

REINSURANCE—Sec. 53. "No insurance company authorized to transact business in this State, and no manager or agent thereof, shall reinsure, transfer of cede in any manner whatsoever the whole or any part of its liability under a policy covering property within this State, except marine risks in any alien company not having a duly appointed attorney

in fact in the United States to accept services of legal process, or not admitted to transact business in the United States and having a deposit in some State in the United States. Penalty for violation a sum not exceeding \$5000." In 1916, the Superintendent of Insurance wrote: "We believe that authorized companies are permitted, under our present law, to reinsure Arizona risks in unauthorized companies, but they should not be."

REINSURANCE RESERVE—Sec. 47, Ins. Code. "In ascertaining its liabilities there shall be charged in addition to the capital stock and all outstanding claims a sum equal to the total unearned premium less unearned premium on amount reinsured on the policies in force computed on a pro rata basis."

RESIDENT AGENTS—Sec. 26. "It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State; any insurance company violating this section shall have its certificate of authority to do business in this State suspended not less than one year, and it shall only be renewed upon a written pledge from the directors or executive body in authority over the officers that this section will be fully and faithfully observed. When an agent or solicitor of any insurance company doing business in this State accepts an application for insurance from any person not provided with the certificate for a broker or an agent or solicitor as required herein, and in any way compensates or promises to compensate such person for soliciting such application, the Commissioner shall, upon due proof and notice, suspend or revoke the certificate of such agent or solicitor; and if it shall appear to the Commissioner that the company for which such agent or solicitor is acting is guilty of participation in the acts of such agent or solicitor, the Commissioner shall suspend the certificate of authority of such company to do business in this State for a period of not less than one (1), nor more than three (3) months, for each and every offense." No license will be issued to non-resident agents, brokers or solicitors.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—Sec. 56, Ins. Code. No policy recognized except the New York standard with 'stock' or 'mutual' printed on face and filed on back.

TAXES—Two per cent on gross premiums after deducting return premiums and reinsurance in admitted companies, payable to Corporation Commission, "such tax shall be payment in full of all demands of any and all taxes on said company or of licenses for conducting said business of insurance in this State other than as provided for by Sec. 14 (Par. 3396) and Sec. 31 (Par. 3414) of this act." (Sec. 14 relates to fees (see "Fees") and Sec. 31 relates to agents' licenses.) (Sec. 21, Ins. Code.) Tax is payable when filing statement.

TAX STATEMENTS—Must be filed on or before March 1 with annual statement. (Sec. 21, Ins. Code.) Premiums received in each city of 3000 or more inhabitants must be separately reported.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None permitted by State law.

MUNICIPAL TAXES AND FEES.

None

ARKANSAS.

STATE REQUIREMENTS.

AGENTS DEFINED—Act 117 of 1895, Sec. 1. "Any person who shall hereafter solicit insurance or procure applications, shall be held to be soliciting agents of the insurance company or association issuing a policy on such application, or on a renewal thereof, anything in the application or policy to the contrary notwithstanding." Penalty for soliciting business for an unauthorized company, a fine of \$500 for each month or fraction thereof during which such business was transacted.

AGENTS' LICENSES—Agents must procure licenses from the Auditor, which expire March 1. Penalty for acting as agent, without license, or for unauthorized company, fine of not more than \$500. Applications for licenses not required to be made by company officers. Each soliciting or selling member of a firm must hold a license.

ANNUAL STATEMENTS—Must be filed within sixty days after January 1. Penalty for failure to transmit any statement required, fine of \$100 for each day's neglect. Making false statement is a felony, punishable by imprisonment for three to ten years. This report, the tax statement and the franchise tax statement are the only ones required. Mutual company must file annual statement in February; if organized outside of Arkansas, must file statement within sixty days after January 1.

ANTI-COINSURANCE—No provision. Valued policy law precludes use of coinsurance clauses in policies on buildings.

ANTI-COMPACT—The Act of January 23, 1905, was a very drastic measure, and was extra-territorial in its application, prohibiting licensed companies from being members of any organization which fixed or maintained premium rates anywhere. This law was amended in 1907 by eliminating the provision which made the 1905 law extra-territorial in effect, so that the present law merely prohibits licensed companies from co-operating in regard to premium rates in Arkansas. Sec. 4, as amended in 1913, reads as follows: "No individual, company or corporation shall be subject to any of the penalties of this Act, unless such individual, company or corporation shall do within this State some act directly tending to carry into effect a conspiracy prohibited by this Act; and the purchase, sale, delivery or disposition of any article of commerce in a lawful manner within this State shall not be deemed an act done in pursuance of or for the purpose of carrying into effect any such conspiracy." Penalty for violation, from \$250 to \$5,000 for each day. Common expert allowed to inspect individual risks and advise premiums. See "Rate Schedule to Be Filed." Affidavit of compliance required annually.

ANTI-DISCRIMINATION—No provision. Provision requiring uniformity of rates is construed as prohibiting division of commission with insured.

ATTORNEY—The Auditor of State, or some other resident, must be appointed to accept service of legal process.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Subscribed, \$100,000 or more; paid up, not less than \$50,000.

COMMISSIONS TO NON-RESIDENTS—Prohibited on Arkansas risks.

DEPOSIT—Sec. 4124. "All fire, life and accident insurance companies, individual or corporation, now or hereafter doing business in this State, shall, in addition to the duties and requirements now prescribed by law, annually give a bond to the State of Arkansas with not less than three good and sufficient sureties, to be approved by the Auditor of State, in the sum of twenty thousand dollars, conditioned for the prompt payment of all claims arising and accruing to any policyholder issued by any such company, individual or corporation, upon the life or person or property of any citizen of the State, and such bond shall be annually renewed; provided nothing in this act shall be construed as applying to fraternal orders insuring the lives of their members." Penalty for doing business without giving bond, fine of \$20 to \$100. Domestic mutual companies must file bonds for \$15,000; and such companies filing an additional bond for \$10,000 may issue non-assessable policies. Act of May 13, 1905. Sec. 4. "All foreign mutual fire insurance companies authorized to do business in this State shall annually give a qualified indemnity bond to the State of Arkansas with not less than three good and sufficient sureties, or with a surety, trust, or indemnity company authorized to do business in this State, as surety, to be approved by the Auditor of the State, in the sum of \$20,000, conditioned for the prompt payment of all claims arising and accruing to any person during the term of said bond by virtue of any policy issued by any such company upon any property situated in the State, and said bond shall be in full force and effect during the lifetime of any policy issued by said company. Not less than two of the sureties on the aforesaid bond shall be residents of this State, and said resident bondsmen shall own property in this State subject to execution equal in value to the amount named in the bond. It shall be the duty of the Auditor of State to require any such insurance company to file a new bond as herein provided at any time when it shall appear that such bond is not sufficient or that the amount thereof has been exhausted by judgment or that the sureties on same have died or become insolvent." Sec. 5. "All such companies shall comply with the provisions of Secs. 4336, 4338, 4344 and 4346 of Kirby's Digest of the Statutes of the State of Arkansas not inconsistent with this act."

DOMESTIC COMPANIES—No special provisions.

EXAMINATIONS—May be made whenever the Auditor may deem it necessary.

FEES—For filing certified copy of charter, \$15; for filing annual statement or certificate of other State Commissioner, in lieu thereof, \$10; for certificate

of authority to transact business, \$2; for publication of annual statement or other publication required by the insurance laws of this State, or for official examination of companies in person or by attorney, as provided by law, the actual expenses incurred; for every copy of any paper filed in the bureau, the sum of 20 cents per folio; affixing the official seal to such copy and certifying same, \$1; certificate for agent, \$2.

Act No. 87, approved March 8, 1911. Sec. 1. "That all corporations organized under the laws of this State, except such corporations as are hereinafter specifically mentioned, shall pay for the filing of its articles of incorporation a fee of twenty-five (\$25) dollars for the first ten thousand (\$10,000) dollars, or under, of its authorized capital stock, and one-tenth of one per cent additional on all amounts in excess of ten thousand (\$10,000) dollars; and shall pay for any increase of its capital stock twenty-five (\$25) dollars on the first ten thousand (\$10,000) dollars, or less, and one-tenth of one per cent additional on all amounts in excess of ten thousand (\$10,000) dollars." Sec. 11. "All insurance companies organized under the laws of any other State, and seeking to do business in this State, shall pay for filing copies of articles of incorporation, the same fees as are charged insurance companies, organized under the laws of the State of Arkansas, for filing copies of articles of incorporation in the State where such foreign company, that seeks to do business in this State, was organized; provided, foreign insurance companies organized outside of the United States, shall pay the same fees for filing copies of articles of incorporation, as are required by the State in which their principal office in the United States is maintained. Provided further all foreign unincorporated insurance companies, associations, shall pay five hundred dollars for the privilege of doing business in this State." Sec. 12. "All corporations that have heretofore paid all the fees prescribed by previous Acts of the General Assembly of this State, shall not be required to pay the fees prescribed by this Act." Sec. 13. "All amounts paid to the State Treasurer under this Act shall be placed to the credit of the general revenue fund and the State Treasurer shall issue to the corporation paying the amount triplicate receipts, one of which shall be filed by the corporation with the State Auditor and one with the Secretary of State. Upon filing the receipt with the Secretary of State, if by a domestic corporation, and such corporation has complied with the other laws of the State of Arkansas, the Secretary of State shall issue to it a charter to do business in this State. If the payment is made by a foreign corporation, and such foreign corporation has complied with all the laws of the State of Arkansas, regulating foreign corporations, the Secretary of State shall issue to such corporation a certificate showing that it is authorized to do intra-State business in Arkansas." Sec. 15. "If any corporation embraced herein shall amend its charter so as to extend its operations, it shall pay additional fees on the same basis prescribed by this act for such incorporation." Sec. 16. "This Act shall not be deemed a repeal of any law

now in force regulating corporations, or the payment of fees and taxes by corporations, except that Act 294, approved May 31, 1909, is hereby repealed. This law being necessary for the immediate preservation of the public peace, health, and safety shall be in force from and after its passage."

The foregoing requirement as to companies organized outside of the United States is construed by the Attorney-General as follows: "I am of the opinion that the clause quoted means that a company organized outside of the United States shall pay for filing a copy of its articles of incorporation in this State the same fees as such company would be required to pay in the State wherein it maintains its principal office for the United States and for business transacted therein. That is to say, if a British company maintains its principal office in the United States in the State of Connecticut and desires to transact business in the State of Arkansas it should pay to the State of Arkansas for the filing of its articles of incorporation the same fees as are required of it by the State of Connecticut.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed before July 1. (Not enforced.)

GENERAL PENALTY—For any violation of, or non-compliance with, law, revocation of license and fine of \$20 to \$500. Penalty for making false representations to obtain business, imprisonment for three to ten years.

IMPAIRMENT—If after charging reinsurance reserve against company and adding all other debts and claims against the company, capital stock is impaired twenty per cent, Commissioner shall notify company to make good in sixty days. No new business shall be done until the paid-up capital shall be equal to the amount required by law for the transaction of business.

INTER-INSURANCE—Act No. 152, of 1915, provides for the formation of reciprocal or inter-insurance exchanges, under the supervision of the Insurance Commissioner. An exchange must have applications for insurance on at least 100 separate risks, aggregating \$1,500,000, and an initial sum on deposit of at least \$25,000.

INVESTMENTS PRESCRIBED—No provision.

LICENSED BROKERS—No provision. Property holders allowed to insure in unauthorized companies must pay 5% of premiums as tax.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—No provision.

MISCELLANEOUS—Penalty for non-payment of loss within time specified in policy, twelve per cent damages upon the amount of loss, with reasonable attorneys' fees. Company removing suit to Federal court will have its license revoked. Agent must personally inspect risk during term of policy. Judgment for attorneys' fees against insurance company when losing case.

MUTUAL COMPANIES—Act 14 of 1897, Sec. 1. "That it shall be lawful for any number of farmers of this State to make mutual pledges and give valid obligations to each other for their own insurance from loss by fire, or loss or damages by tornadoes, lightning, cyclones or wind storms, but such association of persons shall in no case insure any property not owned by one of their own number; provided, that the word farmer as used in this act shall apply to and include only such person as actually resides upon a farm and cultivates or superintends the cultivation of same." Act of May 13, 1905. Sec. 1. "No mutual fire insurance company organized outside of this State shall be permitted to do business in this State until it shall have assets amounting to \$50,000 in cash or securities that can be converted into cash within sixty days, in excess of all its liabilities including a reserve of the entire unearned premiums on all outstanding policies." See "Deposit"; "Resident Agents"; "Annual Statements." A mutual company may be organized by three or more citizens who are propertyholders and taxpayers. Articles of association and incorporation must be filed with Secretary of State, and certified copy thereof with Auditor of State. Only citizens and residents and taxpayers for at least three years are eligible to act as director or officer. Company must have at least \$100,000 of risks and \$3000 of premiums subscribed for.

PRELIMINARY DOCUMENTS—Company must file with the Auditor a certified copy of its charter and a certificate giving the date of its organization and the location of its principal office and a statement showing its condition and business on December 31, preceding. Foreign companies must file certified copy of charter and certificate giving date of organization and location of its principal office; designation of attorney; statement of capital employed in operating its business in the State; statement of assets and liabilities; directors' resolution authorizing service upon any agent or the Secretary of State. See "Deposit." Certificate of compliance with laws of company's home State required annually by March 1. Penalty for doing business without complying with act 313, approved May 13, 1907, a fine of \$1000.

PUBLICATION—No requirement.

RATING SCHEDULES TO BE FILED—Section 2. "All companies, corporations or associations authorized to transact business of insurance in this State, shall file with the Auditor or Insurance Commissioner a schedule of rates of premiums to be charged and collected therefor, on contracts of insurance of indemnity proposed to be effected by said company, corporation or association, which in all cases shall be a fixed percentage of the amount insured, and such companies, corporations and associations may employ a common expert to inspect individual risks and advise the premiums to be charged in accordance with schedule of rates on file with the Auditor or Insurance Commissioner, and such premiums shall be uniform for all risks rated under the same schedule."

RECIPROCAL LAW—None.

REINSURANCE—Reinsurance in unauthorized companies is not prohibited; but the original insuring company must report all premiums on such business, and pay a five per cent tax thereon, instead of the usual one and half per cent. Penalty for violation, \$100. See "Taxes." Authorized companies not allowed to reinsure risks of unauthorized companies.

REINSURANCE RESERVE—The reinsurance fund must be maintained at fifty per cent of all premiums on unexpired fire risks that have less than one year to run, and pro rata of all premiums on unexpired risks having more than one year to run; the entire premiums received on unexpired marine and inland risks. When the reinsurance fund thus calculated is less than forty per cent of all premiums received during the year, then the whole of the premiums received on unexpired risks shall constitute the reinsurance fund. Domestic mutual companies must reserve at least fifty per cent of premiums for payment of losses and benefit of policyholders.

RESIDENT AGENTS—Act of May 11, 1905. Sec. 1. "Any fire insurance company * * * authorized to do business in this State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is non-resident of the State of Arkansas to issue or cause to be issued its own policy or policies of insurance or reinsurance on property * * * located in the State of Arkansas." Sec. 2. "Any person, agent, firm or corporation licensed by the Auditor to act as agent for any fire insurance company, * * * in the State of Arkansas is hereby prohibited from paying directly or indirectly any commission, brokerage, or other valuable consideration on account of any policy or policies covering any property * * * in the State of Arkansas, to any person, agent, firm or corporation who is a non-resident of this State, or to any person, agent, firm or corporation not duly licensed by the auditor as agent for any fire insurance company. * * *" Penalties for violations, by companies, first offense, revocation of license for three to six months; for each subsequent offense, revocation of license for one year; by agents, revocation of licenses for all companies for three to six months for first offense, and for one year for second offense. (No exception of railroad property or property in transit is provided for in the law.) Each member of a fire company who actually solicits or writes insurance is required to hold license. A mutual company organized outside of the State must appoint a resident general agent, and all business transacted in Arkansas shall be transacted through said general agent and agents appointed by and reporting to him.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None specifically required by law. Commissioner requires a company to furnish copies of policies used with approval of Insurance Department of its home State.

TAXES—Act 159, Sec. 1913. "Every fire, tornado or marine insurance company, incorporation or association authorized to do business in this State shall file with the Auditor or Insurance Commissioner at the same time with its annual statements, a sworn statement setting forth the gross

amount of premiums received by it from policies covering risks within this State, and upon all property located in this State during the year ending December 31 preceding, without deductions for commissions, returned premiums or considerations paid for reinsurance, or any deductions whatever, and shall also therein set forth in separate item return premiums paid for cancellations and authorized reinsurance, after deducting such return premiums and authorized reinsurance, shall pay into the State Treasury on or before the first day of March, a tax of $1\frac{1}{2}\%$ on such gross receipts, and such tax shall be in lieu of all other taxes, State, county or municipal, on such receipts; nor shall any city, town or municipality impose any license fee or privilege tax upon any company or agent of any company for the privilege of transacting such business of insurance. Provided that any person, firm, corporation, individual or association doing business in this State securing indemnity contracts or policy of insurance from any person, firm, corporation, association or individual not authorized to do business in this State, shall, on or before the first day of March each year, file with the Auditor of State a sworn affidavit of the amount of premium paid to such unauthorized persons, firms, associations or corporations, and shall pay into the State Treasury a tax of five per centum of the gross premiums paid; and provided, further, that insurance companies organized under the laws of Arkansas shall not be required to pay the above subscribed tax except on that portion of their premiums paid for reinsurance in unauthorized companies." Franchise tax, payable to the Treasurer of State annually, on or before August 10, \$100 if capital stock outstanding is less than \$500,000, or \$200 if capital is \$500,000 or more. Mutual company pays \$100.

TAX STATEMENTS—Must be filed within sixty days after January 1. Franchise tax statements must be filed annually, on or before July 1, with the Arkansas Tax Commission.

VALUED POLICY—Law passed 1889, amended 1899, Sec. 1. "A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount for which the company charges and collects premiums; provided, that the provisions of this article shall not apply to personal property."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

CALIFORNIA.

STATE REQUIREMENTS.

AGENTS DEFINED—No statutory definition.

AGENTS' LICENSES—Sec. 633. "No person shall in this State act as the agent or solicitor of any insurance company doing business in this State until he has produced to the Commissioner, and filed with him, a duplicate power of attorney from the company, or its authorized agent, authorizing him to act as such agent or solicitor. Upon filing such power, the Commissioner shall issue a license to him to act as such agent or solicitor for such company, if such company has received a certificate of authority from such Commissioner to do business in this State. Such license shall continue in force until July 1st after the date thereof, but must be, and shall be, sooner revoked upon application of the company or its authorized agent. Such license may be renewed from time to time, for an additional period of twelve months, on production by the holder to the Commissioner of a certificate from the company that such person's authority as such agent or solicitor continues." Sec. 623. "The Commissioner must require every company now transacting or proposing to transact insurance business by signed by the company, as principal, and issued by a licensed surety company as surety, to be approved by the Commissioner, in the penal sum of \$20,000, the condition of such bonds to be as follows: (1) That the company and its agents will pay all State, county and municipal property and license taxes, in the manner and at the time prescribed by law; (2) That the company named therein will conform to all the provisions of the revenue and other laws made to govern them; (3) and that the company will promptly pay all fees, assessments, taxes, penalties, and fines that may be laid upon or against such company." Sec. 624. "Whenever the same company desires to collect premiums of insurance for more than one company, the Commissioner must require a separate bond, * * *, for each company so represented by such company." Every general agent must procure from the Commissioner a certificate of authority. Every company must have a resident general agent. Penalty for acting for unauthorized company, imprisonment not exceeding six months, or fine not exceeding \$500, or both. Neither a firm nor a company can be licensed as a solicitor; each person must have a separate license.

ANNUAL STATEMENTS—Companies must file statements of condition and affairs, including California business in the preceding year, on or before March 1 of each year. Penalty for willful failure to file statements prescribed by a law, a fine of \$100, and \$200 for each month or fraction thereof company continues to do business without filing same.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—It has not yet been determined whether or not the "Cartwright bill," which became a law in 1907, refers to insurance companies.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A resident of the State must be appointed to accept service of legal process; in the absence of such attorney the Insurance Commissioner must be authorized to accept service.

CANCELLATION OF POLICY—Five days' written notice to insured and to mortgagee or other person to whom, with written consent of company, the policy is made payable, is required by law.

CAPITAL REQUIRED—Stock companies must possess an unimpaired capital of not less than \$200,000. Companies transacting both fire and marine insurance must have at least \$400,000 capital. Fire or fire-marine company transacting "team and vehicle insurance" must have \$50,000 additional capital. A mutual or stock-mutual company of another State or country, having less than \$100,000 capital, must have in lieu of such capital at least \$200,000 of available cash assets above all liabilities.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—None required (except by the application of retaliatory law). Companies of other countries must have an amount equal to the amount of capital stock or cash assets required on deposit with the Insurance Commissioner of California or a State official of some other State. "Such deposit must be of securities which the law of California permits for the investment of the assets of such California insurance companies." (See "Investments Prescribed.") (See "Agents' Licenses.") Surety bond for \$20,000 must be deposited by each company.

DOMESTIC COMPANIES—Must have \$200,000 subscribed capital, not less than twenty-five per cent of which must be paid in before commencing business, and the remainder within one year. Must file statement within thirty days after payment of twenty-five per cent, and within thirty days after the payment of the last instalment on the stock. New company promotions are under supervision of Insurance Commissioner and Corporation Commissioner. Organization expense must not exceed 15 per cent of capital.

EXAMINATIONS—Sec. 597. "The Commissioner, whenever he deems necessary, or whenever he is requested by verified petition, signed by 25 persons interested, either as stockholders, policyholders, or creditors of any company engaged in insurance business in this State, showing that such company is insolvent under the laws of this State, must make an examination of the business and affairs relating to the insurance business of such company, and must make such an examination whenever any company is organized to do insurance business in this State, and before issuing a certificate of authority other than renewals to such company, and may make such examination whenever any company not organized under the laws of this State applies for a certificate to do insurance business in this State,

and before issuing a certificate of authority to such company; and for such purposes shall have free access to all the books and papers of such company, and must thoroughly inspect and examine all its affairs, and ascertain its condition and ability to fulfil its engagements, and that it has complied with all the provisions of law applicable to its insurance transactions."

Penalty for failure to give true and full information, \$500.

FEES—Generally each company, on applying for admission, must file the following documents and pay the fees specified: 1. Certified copy of charter or articles of incorporation, and certificate as to organization, capital and assets from the Insurance Commissioner of its own State, \$55; 2. Appointment of general agent and stipulation, \$5; 3. Bond in the sum of \$20,000, \$5; 4. Statement as to financial condition, \$20; 5. Certificate of authority (expires July 1), \$10; 6. Certificate of deposit of securities (required only of companies organized outside of the United States), \$5; authorization empowering general agent to sign bond and appoint solicitors and agents may also be filed. For filing the annual statement required to be filed, \$20; for filing any other papers required to be filed, \$5; for furnishing copies of papers filed in Commissioner's office, 20 cents per folio; for certifying copies, \$1 each; for registering each policy, 25 cents; for issuing each annual certificate of authority, \$10 annually; for issuing each annual license authorizing an agent to solicit any insurance business, \$1; for attaching the seal of office to any paper or document not herein specified, \$1; for issuing any other certificate, \$2; for issuing each annual license to an insurance broker, \$10; fee for brokers' license to deal with unauthorized companies, \$25 per annum. Sec. 606. "If the salary of the Commissioner and the expenses of his office exceed the fees and charges collected by him, such excess must be annually assessed by the Commissioner upon all persons and corporations engaged in the business of insurance in this State, and they are severally liable therefor, pro rata, according to the amount of premiums received, or receivable, from the risks taken in this State, respectively, during the year ending on the thirty-first day of December next preceding the assessment." For the purposes of taxation, reinsurances and cancellations are deducted from the gross premiums collected. Each company must file with Secretary of State at Sacramento certified copy of articles of incorporation, the fee for which varies according to amount of capital stock, and an appointment of agent upon whom service of process may be made, fee for filing which is \$5. The Secretary of State must collect the following fees from new domestic companies: For filing articles of incorporation, if capital is \$25,000 or less, \$15; for capital of \$25,000 to \$75,000, \$25; for capital of \$75,000 to \$200,000, \$50; for capital of \$200,000 to \$500,000, \$75; for capital of \$500,000 to \$1,000,000, \$100; and \$50 additional for each \$500,000 or fraction thereof of capital over \$1,000,000; if no capital stock, fee is \$5, except for co-operative associations, for which fee is \$15. For recording articles of incorporation, 25 cents per folio. For issuing certificate of incorporation, \$3.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Are required by Insurance Commissioner, on or before July 1.

IMPAIRMENT—Sec. 602. "Whenever provisions for the liabilities of any company engaged in the business of fire, marine or inland navigation insurance in this State, for losses reported, expenses, taxes and reinsurance of all outstanding risks, estimated at fifty per cent of the premiums received and receivable on all fire risks and marine time risks, at the full premiums received and receivable on all other marine risks, would so far impair its capital paid in as to reduce the same below \$200,000, or below seventy-five per cent of said capital paid in, such company is insolvent; and in the case of a company engaged in such insurance in this State, on the mutual plan, if the available cash assets of such company shall not exceed its liabilities, as hereinbefore enumerated, in the full sum of \$200,000, such company is insolvent." License of insolvent company must be revoked, but if the company becomes solvent within 90 days, a new certificate of authority may be issued to it.

INVESTMENTS PRESCRIBED—No company is permitted to own more real estate than its home office building, and such as is required for its accommodation in the convenient transaction of its business, except such as is conveyed to it or purchased to protect the company from loss on loans or debts; and in the latter cases such property must be sold within five years. Capital and accumulations may be invested in or loaned upon United State bonds; bonds of any of the States of the United States which have not within five years defaulted in payment of principal or interest; bonds of any county, municipality or school district of any State or Territory of the United States which has not defaulted in payment of principal or interest within two years; bonds of permanent road divisions, irrigation districts authorized as legal investments; mortgage loans on real estate not exceeding 60 per cent of value. After the sum of \$200,000 has been invested as above prescribed, a company may invest the balance of capital and accumulations in the purchase of or loans upon the stock of any corporation (except mining companies) organized and carrying on business under the laws of the State of California, or of the United States, which have at the time of investment a market value of not less than their paid-in value, or in interest-bearing bonds of any corporation of any State or Territory of the United States which has not defaulted on principal or interest within five years, and which are rated as first class securities, provided that a two-thirds vote of all the directors of such corporation shall approve such investment. It shall be the duty of the officers of such corporation to report during the months of January and July of each year to the Insurance Commissioner details concerning such investments so made by them, and the Insurance Commissioner may require sale of any which seem to him injudicious.

LICENSED BROKERS—Provision is made for licensing brokers to deal with unauthorized insurance companies. Licenses expire July 1, and the fee is

and before issuing a certificate of authority to such company; and for such purposes shall have free access to all the books and papers of such company, and must thoroughly inspect and examine all its affairs, and ascertain its condition and ability to fulfil its engagements, and that it has complied with all the provisions of law applicable to its insurance transactions." Penalty for failure to give true and full information, \$500.

FEES—Generally each company, on applying for admission, must file the following documents and pay the fees specified: 1. Certified copy of charter or articles of incorporation, and certificate as to organization, capital and assets from the Insurance Commissioner of its own State, \$55; 2. Appointment of general agent and stipulation, \$5; 3. Bond in the sum of \$20,000, \$5; 4. Statement as to financial condition, \$20; 5. Certificate of authority (expires July 1), \$10; 6. Certificate of deposit of securities (required only of companies organized outside of the United States), \$5; authorization empowering general agent to sign bond and appoint solicitors and agents may also be filed. For filing the annual statement required to be filed, \$20; for filing any other papers required to be filed, \$5; for furnishing copies of papers filed in Commissioner's office, 20 cents per folio; for certifying copies, \$1 each; for registering each policy, 25 cents; for issuing each annual certificate of authority, \$10 annually; for issuing each annual license authorizing an agent to solicit any insurance business, \$1; for attaching the seal of office to any paper or document not herein specified, \$1; for issuing any other certificate, \$2; for issuing each annual license to an insurance broker, \$10; fee for brokers' license to deal with unauthorized companies, \$25 per annum. Sec. 606. "If the salary of the Commissioner and the expenses of his office exceed the fees and charges collected by him, such excess must be annually assessed by the Commissioner upon all persons and corporations engaged in the business of insurance in this State, and they are severally liable therefor, pro rata, according to the amount of premiums received, or receivable, from the risks taken in this State, respectively, during the year ending on the thirty-first day of December next preceding the assessment." For the purposes of taxation, reinsurances and cancellations are deducted from the gross premiums collected. Each company must file with Secretary of State at Sacramento certified copy of articles of incorporation, the fee for which varies according to amount of capital stock, and an appointment of agent upon whom service of process may be made, fee for filing which is \$5. The Secretary of State must collect the following fees from new domestic companies: For filing articles of incorporation, if capital is \$25,000 or less, \$15; for capital of \$25,000 to \$75,000, \$25; for capital of \$75,000 to \$200,000, \$50; for capital of \$200,000 to \$500,000, \$75; for capital of \$500,000 to \$1,000,000, \$100; and \$50 additional for each \$500,000 or fraction thereof of capital over \$1,000,000; if no capital stock, fee is \$5, except for co-operative associations, for which fee is \$15. For recording articles of incorporation, 25 cents per folio. For issuing certificate of incorporation, \$3.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Are required by Insurance Commissioner, on or before July 1.

IMPAIRMENT—Sec. 602. "Whenever provisions for the liabilities of any company engaged in the business of fire, marine or inland navigation insurance in this State, for losses reported, expenses, taxes and reinsurance of all outstanding risks, estimated at fifty per cent of the premiums received and receivable on all fire risks and marine time risks, at the full premiums received and receivable on all other marine risks, would so far impair its capital paid in as to reduce the same below \$200,000, or below seventy-five per cent of said capital paid in, such company is insolvent; and in the case of a company engaged in such insurance in this State, on the mutual plan, if the available cash assets of such company shall not exceed its liabilities, as hereinbefore enumerated, in the full sum of \$200,000, such company is insolvent." License of insolvent company must be revoked, but if the company becomes solvent within 90 days, a new certificate of authority may be issued to it.

INVESTMENTS PRESCRIBED—No company is permitted to own more real estate than its home office building, and such as is required for its accommodation in the convenient transaction of its business, except such as is conveyed to it or purchased to protect the company from loss on loans or debts; and in the latter cases such property must be sold within five years. Capital and accumulations may be invested in or loaned upon United State bonds; bonds of any of the States of the United States which have not within five years defaulted in payment of principal or interest; bonds of any county, municipality or school district of any State or Territory of the United States which has not defaulted in payment of principal or interest within two years; bonds of permanent road divisions, irrigation districts authorized as legal investments; mortgage loans on real estate not exceeding 60 per cent of value. After the sum of \$200,000 has been invested as above prescribed, a company may invest the balance of capital and accumulations in the purchase of or loans upon the stock of any corporation (except mining companies) organized and carrying on business under the laws of the State of California, or of the United States, which have at the time of investment a market value of not less than their paid-in value, or in interest-bearing bonds of any corporation of any State or Territory of the United States which has not defaulted on principal or interest within five years, and which are rated as first class securities, provided that a two-thirds vote of all the directors of such corporation shall approve such investment. It shall be the duty of the officers of such corporation to report during the months of January and July of each year to the Insurance Commissioner details concerning such investments so made by them, and the Insurance Commissioner may require sale of any which seem to him injudicious.

LICENSED BROKERS—Provision is made for licensing brokers to deal with unauthorized insurance companies. Licenses expire July 1, and the fee is

\$25 per annum. Details must be filed within one week as to all policies so procured; also a list of authorized companies comprising a majority thereof from whom the insurance so effected was not procurable. Broker must file \$5000 bond to secure compliance with law; must file sworn statement by March 1, of gross and return premiums, and must pay a tax of three per cent on gross less return premiums. Ordinary broker pays license fee of \$10.

LIMIT ON A SINGLE RISK—Ten per cent of capital actually paid in and intact at time of writing risk unless excess is at once reinsured.

LLOYDS—No specific provisions. Sec. 634a. "The word company as used in this title includes every association, corporation, firm, or person transacting or desiring to transact any kind of insurance business under the laws of the State of California."

MISCELLANEOUS—Any person interested, as owner, assignee, pledgee or payee, of any policy of insurance may apply to the Insurance Commissioner for any information desired about such policy, making affidavit that he is entitled to same, and the Commissioner may call upon the agent of the company for such information, which must be furnished within 90 days under penalty of revocation of license; and the Commissioner must promptly, on its receipt, supply such information to the applicant. Company causing the removal of a case from a State to a Federal court is liable to have its license revoked. Withdrawal from the State must be advertised at company's expense. No officer of a company may borrow its funds. Misrepresentation and twisting are forbidden by law of 1915 (Senate Bill No. 571).

MUTUAL COMPANIES—Provision is made in the statutes for the organization of county and other mutual fire insurance companies. (See "Capital.")

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a certified copy of its articles of incorporation, or of the law, charter or deed of settlement under which organized, and a certificate signed by the proper State officer, showing that it possesses the capital stock or assets required by the State. Also a statement of its affairs December 31 preceding, appointment of general agent, and a bond (by the general agent) for \$20,000. (See "Fees.")

PUBLICATION—Statements must be published daily for one week in a daily newspaper of general circulation, or four consecutive times in a weekly newspaper of general circulation in the city or city and county where the principal office of the company in the State located. Publication to be made before June 1.

REINSURANCE—No law restricting reinsurance in unauthorized companies, but credit in reduction of taxes only allowed for reinsurance in authorized companies. The Insurance Commissioner has said: "It is my opinion that a company cannot do reinsurance business in the State of California without certificate of authority required by Sec. 596 of the Political Code, and in that regard there is no distinction between reinsurance and any other insurance business."

REINSURANCE RESERVE—Fifty per cent of premiums on fire risks and marine time risks; the entire premiums on all other marine risks.

RESIDENT AGENTS—Sec. 616. "The Insurance Commissioner must require, as a condition precedent to the transaction of insurance business in this State by any foreign insurance company, that such company must file in his office a writing designating the name of an agent, and his place of business in this State, on whom any notice provided by law or by any insurance policy, proof of loss, summons and other process may be served in all actions or other legal proceeding against such company. All notices, proof of loss, summons, or other process so served give jurisdiction over the person of such company. The agent so appointed and designated shall be deemed in law a general agent, and must be the principal agent of such company in this State, * * *"

RETALIATORY LAW—Statutes of 1907. Sec. 622. "When by the laws of any other State or country, any taxes, fines, penalties, licenses, fees, deposits of money or of securities, or other obligations or prohibitions, are imposed on insurance companies of this State doing business in such other State or country, or upon their agents therein in excess of such taxes, fines, penalties, licenses, fees, deposits of securities, or other obligations or prohibitions, imposed upon insurance companies of such other State or country, so long as such laws continue in force, the same obligations and prohibitions of whatsoever kind must be imposed upon insurance companies of such other State or country doing business in this State. And whenever under this section any deposit of security shall be made in this State, such deposit shall be made in bonds of the United States Government, or in those of the State of California, or in interest-bearing bonds of any of the countries or incorporated cities and towns of the State of California, not in default for interest on such bonds, which said securities must be estimated at not exceeding their par value nor their market value."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—A standard policy form is required to be used.

TAXES—A tax of two per cent is imposed on gross premiums collected in California by all fire insurance companies, less return premiums and reinsurance in authorized companies, subject to action of retaliatory law. Credit is allowed for taxes paid to counties and municipalities on real estate in California. This tax is in lieu of all other taxes upon property, except county and municipal taxes on real estate, and except as otherwise provided in the State Constitution. Taxes are payable to the State Treasurer and are due before the first Monday in March. When, by the application of the retaliatory law, the amount of taxes is greater than that which would be collected by the application of the general law—(to wit, two per cent on premiums, less reinsurance and return premiums)—the retaliatory provision governs. A license tax, graded according to the amount of authorized capital stock, is payable annually to the Secretary of State, by

corporations other than those exempt because of payment of the (2 per cent) percentage tax. Companies should file notice of exemption with Secretary of State. Licensed brokers pay tax of 3 per cent on premiums of unauthorized companies.

TAX STATEMENTS—Must be filed with Insurance Commissioner on or before the first Monday in March, annually, in addition to or in modification of regular annual statement. Tax statements of foreign companies shall be verified by manager residing in California.

VALUED POLICY—Sec. 2757. "Whenever the insured desires to have a valuation named in his policy, insuring any building or structure against fire, he may require such building or structure to be examined by the insurer, and the value of the insured's interest therein shall be thereupon fixed by the parties. The cost of such examination shall be paid for by the insured. A clause shall be inserted in such policy, stating substantially that the value of the insured's interest in such building or structure has been thus fixed. In the absence of any change increasing the risk without the consent of the insurer or of fraud on the part of the insured, then in case of a total loss under such policy, the whole amount so insured upon the insured's interest in such building or structure, as stated in the policy upon which the insurers have received a premium, shall be paid, and in case of a partial loss, the full amount of the partial loss shall be so paid, and in case there are two or more policies covering the insured's interest therein, each policy shall contribute pro rata to the payment of such whole or partial loss. But in no case shall the insurer be required to pay more than the amount thus stated in such policy. This section shall not prevent the parties from stipulating in such policies concerning the repairing, rebuilding or replacing buildings or structures wholly or partially damaged or destroyed."

COUNTY TAXES AND FEES.

COLUSA—For each company, \$10, payable January 1.

CONTRA COSTA—For each company, \$15, payable annually.

DEL NORTE—For each company, \$10, and \$1 license fee, payable annually.

MUNICIPAL TAXES AND FEES.

(The right to collect municipal license fees is being tested in court.)

ANGELO—For each agent, \$3 per quarter, payable January 1, April 1, July 1, October 1.

BLACK DIAMOND—For each company, \$6 per annum.

FORT BRAGG—For each company, \$3, payable January 1.

HOLLISTER—For each agent, \$6, payable January 1.

HUNTINGTON BEACH—For each agent, \$1 per year, payable in June.

LONG BEACH—For each agent for each company, \$5 per year.

MARTINEZ—For each company, \$8, payable June 1.

MERCED—For each company, \$1 per quarter.

MONROVIA—For each agent, \$1 per month.

PINOLE—For each company, \$6 per year.

CANADA.

DOMINION REQUIREMENTS.*

AGENTS DEFINED—See “Agents’ Licenses.”

AGENTS’ LICENSES—“Every person who in Canada for or on behalf of any individual underwriter or underwriters or any insurance company not possessed of a license solicits or accepts any risk or grants any annuity or advertises for or carries on any business of insurance, or prosecutes or maintains any suit, action or proceeding, or files any claim in insolvency relating to such insurance, or, acting as an insurance agent, receives directly or indirectly any remuneration from any British or foreign unlicensed insurance company or underwriters, or except as provided for in section 139 of the Insurance Act, 1910, issues or delivers any receipt or policy of insurance, or collects or receives any premium, or inspects any risk or adjusts any claim * * * shall on summary conviction for a first offense be liable to a penalty not exceeding \$50 and costs, and not less than \$20 and costs, or in default, imprisonment for a term not exceeding three months and not less than one month, and for a second or any subsequent offense, to imprisonment with hard labor for a term not exceeding six months and not less than three months. No license is issued to an agency corporation representing fire insurance companies, nor to officers or stockholders of such corporations.

ANNUAL STATEMENTS—Annual statements of Canadian companies and statements of Canadian business of British and foreign companies must be filed with the Minister of Finance on or before March 1. Penalty for neglect to make annual statement, \$10 per day. Non-payment of fine involves suspension or revocation of license. No other statement required, except home office statements of foreign companies.

ANTI-COINSURANCE—No provision. (See Standard Policy.)

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—Rebating is strictly prohibited.

ATTORNEY—Must be appointed at the head office or chief agency of the company to accept service of legal process.

CANCELLATION OF POLICY—No provision for notice to insured.

CAPITAL REQUIRED—No provision as to domestic companies. In the case of foreign companies with large charter powers, the requirements for a license are as follows: Sec. 9. “Subject to the right of renewal of licenses granted previously to the eleventh day of August, one thousand eight hundred and ninety-nine, a license shall not be granted to a company which is by its charter authorized or empowered to carry on classes or branches of insurance greater in number or variety than those for which a license could be granted under the provisions of the last pre-

* The Insurance Act, 1970, 9-10 Edw. VII, Cap. 32, came into effect May 4, 1970.

ceding section: Provided that any company incorporated elsewhere than in Canada, regardless of its greater corporate powers, which has a paid-up wholly unimpaired capital of at least three hundred thousand dollars if authorized among other classes of business to transact the business of fire insurance, and of at least one hundred thousand dollars if not so authorized; and,—(a) which holds over and above all liabilities estimated according to the existing Dominion Government standard a rest or surplus fund equal to at least twenty per cent of such paid-up capital, and the market value of whose stock is at a premium of at least twenty per cent, and (b) which has carried on successfully for a period of at least five years the business for which the license is sought, or which, having a paid-up wholly unimpaired capital of at least five hundred thousand dollars, has carried on successfully the business for which such license is sought for such shorter period as the minister deems sufficient; and, (c) if the business for which a license is sought consists only of one class of insurance or of such classes as may for the purpose of a license be combined under the provisions of the last preceding section; or, (d) which while not in all respects complying with the requirements of the foregoing paragraphs of this proviso does not materially fall short thereof in any essential particular; or which is a subsidiary company of a company duly licensed under this act and whose insurance contracts are guaranteed by the company whose subsidiary it is, the latter being also liable for all the liabilities of every kind of such subsidiary company shall be deemed eligible for and entitled to such license upon depositing, keeping and maintaining assets in Canada as defined by subsections 2 and 3 of Section 20 of this Act to the amount in the next following section specified." Sec. 10. "Such assets so required to be deposited, kept and maintained by the company for which the license is asked shall be, to the extent the Treasury Board on the report of the Superintendent shall fix or determine, in excess of the amount which would be required if such company's charter powers were limited to the purposes for which such license is so asked. 2. Such excess shall, in the case of a company applying for a license to transact fire insurance or life insurance, be not less than fifty thousand dollars, and, in the case of any other company, not less than ten thousand dollars, and in no case more than two hundred thousand dollars.

DEPOSIT—Sec. 14. "Every company carrying on the business of life insurance and every company carrying on the business of fire insurance, shall, before the issue of such license, deposit with the Minister, in such securities as are hereinafter specified in that behalf, the sum of fifty thousand dollars." Sec. 15. "All such deposits and all other deposits required under the provisions of this act may be made by any company,—(a) in securities of or guaranteed by the Dominion of Canada, or in securities of or guaranteed by any province of Canada, or in securities of or guaranteed by the United Kingdom or any British colony; (b) if such company is incorporated in any foreign country, in securities of or guar-

anted by the government of such country. 2. The value of such securities shall be estimated at their market value, not exceeding par at the time when they are deposited." Sec. 16. "If any other than the aforesaid securities are offered as a deposit they may be accepted at such valuation and on such conditions as the Treasury Board directs."

DOMESTIC COMPANIES—No general act under which companies may be incorporated by the Dominion Government. A form of model bill for the incorporation of companies is provided in Form F of the schedule to the Insurance Act, 1910.

EXAMINATIONS—The Superintendent shall visit personally, or cause a duly qualified member of his staff to visit the head office of each company in Canada at least once in every year and examine carefully the statements of the condition and affairs of each company, and report thereon to the minister as to all matters requiring his attention and decision, and if, after such examination, from the annual or other statements or for any other cause, deems it necessary and expedient to make a further examination into the affairs of such company, and so reports to the Minister, the Superintendent may be instructed by the Minister to thoroughly inspect such company, and if the latter be found to be unsound, or if it refuses to be examined, its license may be suspended or canceled.

FEES—The Superintendent is authorized to assess the companies upon their gross premium receipts for the sum required for the expense of his office. See "Provincial Fees and Requirements."

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed within thirty days after it is required by law to be made to the government of the country in which the head office whose statement it is is situate, or within thirty days after the submission of the same at the annual meeting of the shareholders or members of the company, whichever date first occurs. Such statement, however, need not be deposited earlier than June 1, nor shall it be deposited later than June 30, covering preceding year ending December 31, or last fiscal year.

IMPAIRMENT—Any deficiency of assets compared with liabilities in Canada, must be made good within sixty days after notice, or license will be revoked.

INVESTMENTS PRESCRIBED—Companies within the legislative power of the Parliament of Canada may invest their funds or any portion thereof in the purchase of (a) The debentures, bonds, stocks or other securities of or guaranteed by the Government of the Dominion of Canada or of or guaranteed by the Government of any province of Canada; or of or guaranteed by the Government of the United Kingdom, or of any colony or dependency thereof; or of or guaranteed by the Government of any foreign country, or state forming a portion of such foreign country; or of any municipal or school corporation in Canada, or else-

where where the company is carrying on business; or guaranteed by any municipal corporation in Canada; (b) 1. The bonds of any company which bonds are secured by a mortgage or hypothec to trustees or a trust corporation or otherwise, upon real estate or other assets, of such company; or, 2. The debentures or other evidences of indebtedness of any company, which has been doing business for a term of not less than three years prior to the date of such investment, provided default shall not have been made by such company in the interest payments upon its debentures or other evidences of indebtedness within the said period of three years prior to such investment; or, (3) The preferred stocks of any company which has paid regular dividends upon such stocks or upon its common stocks for not less than five years preceding the purchase of such preferred stocks, or the stocks of any company which are guaranteed by a company which has paid regular dividends upon its preferred or common stocks for not less than five years preceding the purchase of such guaranteed stocks: Provided that the amount of stocks so guaranteed is not in excess of fifty per cent of the amount of the preferred or common stocks, as the case may be, of the guaranteeing company; or, 4. The common stocks of any such company upon which regular dividends of at least four per cent per annum have been paid for the seven years next preceding the purchase of such stocks: Provided that not more than thirty per cent of the common stocks and not more than thirty per cent of the total issue of the stocks of any company shall be purchased by any such life insurance company, and that no company shall be permitted to invest in its own shares or in the shares of another life insurance company; or, (c) Ground rents, mortgages or hypothecs on real estate in Canada, or elsewhere where the company is carrying on its business, provided that the amount paid for any such mortgage or hypothec shall in no case exceed sixty per cent of the value of the real estate covered thereby. Companies may lend their funds or any portion thereof on any of the stocks, bonds, debentures or securities above mentioned or on real estate or leaseholds for a term of years or other estate or interest therein in Canada or elsewhere where the company is carrying on business, provided, however, that no such loan shall exceed sixty per cent. of the value of the real estate or interest therein which forms the security for such loan. Companies may take any additional securities of any nature to further secure the repayment of any liability thereto, or to further secure the sufficiency of any of the securities in or upon which such company is hereby authorized to invest or lend any of its funds. With respect to companies incorporated or legally formed elsewhere than within Canada and licensed to carry on such business in Canada, all assets and investments which may be vested in trust for the company in two or more persons resident in Canada, or in a Canadian trust company, shall be of the classes of investment permitted to Canadian companies.

LICENSES—Sec. 4. In Canada, except as otherwise provided, no company or underwriters or other person shall solicit or accept any risk, or issue

or deliver any receipt or policy of insurance, or grant any annuity on a life or lives, or collect or receive any premium, or inspect any risk, or adjust any loss, or carry on any business of insurance, or prosecute or maintain any suit, action or proceeding, or file any claim in insolvency relating to such business, unless it be done by or on behalf of a company or underwriters holding a license from the Minister. Penalty for acting as agent for an unlicensed company, a fine of not exceeding \$50 and costs, not less than \$20 and costs for the first offense, and imprisonment for the second. Licenses expire March 31.

LICENSED BROKERS—(See "Unlicensed Insurance.")

LIMIT ON SINGLE RISK—No provision.

LLOYDS—May be licensed on same terms and conditions as insurance companies.

MUTUAL COMPANIES—No provision.

PRELIMINARY DOCUMENTS—To be filed with the Insurance Department: Copy of charter, act of incorporation, or articles of association, certified by officer in charge of the original; power of attorney from the company to its chief agent in Canada; statement of condition at end of preceding year. Duplicate copies to be filed in the office of the Superior Courts of the Province, where the head office is located, or if in Quebec, with the Prothonotary of the district in which the chief agency or head office is situated. Penalty for doing business without a license, fine and imprisonment. Annual certificates of compliance with laws of home State not required. The company's charter, acts of incorporation or articles of association, and power of attorney to chief agent, need be filed but once, except in event of a change in representation.

PUBLICATION—Sec. 27. "Every company, on first obtaining such license, shall forthwith give due notice thereof in The Canada Gazette, and in at least one newspaper in the county, city or place where the head office or agency is established, and shall continue the publication thereof for the space of four weeks."

RECIPROCAL LAW—None.

REINSURANCE—No law explicitly forbidding reinsurance in unauthorized companies, but reinsurances in unlicensed companies are, as a matter of practice, disallowed.

REINSURANCE RESERVE—For all companies, eighty per cent of the unearned portion of premiums computed pro rata as at date of statement, but for the purpose of ascertaining the deposit required to be made with the Minister to cover the liabilities in the case of foreign companies the full unearned premiums computed pro rata. No fire policy can be issued for more than three years.

RESIDENT AGENTS—Each company must have a resident chief agent.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—No provision. No policy may be issued for a period longer than three years.

TAXES—Towards defraying the expenses of the Insurance Department of Canada, every company under its supervision is required to contribute annually a sum in proportion to the gross premiums received by it in Canada during the preceding year. War tax, 25 per cent of net profits exceeding 7 per cent on capital, which latter, for a non-Canadian company, is deemed to be such portion of its paid-up capital as shall bear the same proportion to its entire paid-up capital as the value of its assets in Canada bears to the value of its total assets (from January 1, 1915, to December 31, 1917.) (See Provincial Requirements.)

TAX STATEMENTS—No provision. (See "Provincial Requirements.")

UNLICENSED INSURANCE—Section 139 permits any person to insure his property in British or foreign unlicensed fire insurance companies, provided such insurance is effected outside of Canada and without solicitation on the part of the company. A statement of all such insurance effected must be filed yearly with the superintendent by the insured. Advertisement of business and maintenance of an agency in Canada by such companies are forbidden.

VALUED POLICY—No requirement.

PROVINCIAL REQUIREMENTS.

ALBERTA.

AGENTS DEFINED—"Any person who undertakes or assists or aids another to undertake insurance" (also includes broker).

AGENTS' LICENSES—Each agent must secure from the Superintendent of Insurance a certificate of authority which expires February 15. Licenses may be revoked for any violation of law.

ANNUAL STATEMENT—Must be filed with the Superintendent on or before April 1. Statements of business of underwriters' agencies must be made by parent company.

ANTI-COINSURANCE—If policies contain coinsurance clauses they must be so marked in red ink.

ANTI-DISCRIMINATION—Rebating or discrimination is prohibited.

ATTORNEY—The Provincial Superintendent of Insurance of Alberta must be empowered to accept service in suits and proceedings.

CANCELLATION—A mortgagee to whom a policy is made payable must be notified in case of cancellation.

CAPITAL REQUIRED—For fire or fire and inland marine company: Authorized, \$500,000; subscribed, \$200,000; paid up, \$25,000; for inland marine or transportation insurance company: authorized, \$100,000; subscribed, \$50,000; paid up, \$10,000. (Act of April 17, 1915.)

DEPOSIT—If amount at risk does not exceed \$1,500,000, Provincial company deposits \$10,000 with the Treasurer, and Canadian or foreign company \$20,000; additional deposits by Canadian or foreign companies, \$10,000 for each additional \$1,500,000 of risks; Provincial companies, \$200 for every additional \$100,000 of risks or fraction thereof. Provincial mutual or

cash mutual companies, if insuring mercantile or manufacturing risks, deposit \$5000. Every foreign mutual fire or fire and inland marine company insuring mercantile and manufacturing risks shall keep on deposit with the treasurer \$10,000, but a foreign mutual fire insurance company not insuring mercantile and manufacturing risks shall keep on deposit with the treasurer \$5000. (Act of April 17, 1915.) Foreign mutual hail insurance companies must deposit \$20,000 and two per cent of premiums or assessments of previous year (until \$15,000 is reached) with Provincial Treasurer; Provincial mutual, \$5000.

EXAMINATIONS—Whenever deemed expedient, Lieutenant-Governor in Council may appoint examiners to investigate any company. It is also the duty of the superintendent of insurance to examine companies from time to time, and those not Dominion licensees at least once every year. A company found unsound must be reported to the Treasurer.

FEES—(Chap. 8, Act of April 17, 1915.) Payable to Superintendent: For recording and filing documents required by Sec. 9 (see "Preliminary Documents"), \$10, on commencing business or on January 1, yearly; for initial license or certificate of registration, or renewal, \$300 (mutual company, \$50; Provincial mutual, \$50; underwriters agency, \$100). Less if company begins business after July 1. Penalty of 50 per cent if not paid within 60 days. Cost for publication of license in the Alberta Gazette, \$2.30. Penalty for conducting business without being registered, \$20 to \$200, or imprisonment not exceeding 3 months. Fees for agents' licenses in cities, \$25; in towns, \$7; in villages, \$3 (less if issued after August 31).

GENERAL PENALTY—Fine of \$20 to \$200 and costs, or imprisonment not exceeding three months for each offense.

IMPAIRMENT—If liabilities in Alberta (including reserve) exceed assets in Alberta (including deposit), company must make good deficiency or lose its license. (Act of April 17, 1915, Sec. 28.) See "Reinsurance Reserve." Company's license will be revoked if impairment equals 20% of unearned premiums.

MISCELLANEOUS—A foreign company to secure corporate rights must show that it has been in business successfully for five years. An underwriters' agency must secure a license and the parent company must be licensed. Contracts must not be for a longer period than three years (mercantile policies, one year). Any term or stipulation, held by a judge to be unjust or unreasonable, shall not be binding. All insuring documents must have plain inscription across face of policy, "registered under the Alberta Insurance Act." Technical defenses are barred.

MUNICIPAL TAXES AND FEES—Registered companies exempt.

PENALTIES—For representing an unauthorized company, fine of \$200; for failing to file annual statement when due, \$200, and \$100 for each month's delinquency; for omitting inscription as to authorization, \$25 for each violation; for making false entries, fine of not exceeding \$50 or not exceeding 6 months' imprisonment.

PRELIMINARY DOCUMENTS—Before registration a company must file with the Superintendent a verified copy of its act of incorporation or articles of association and of its Dominion license, if any; a copy of its last annual statement (from companies not licensed under the Insurance Act of Canada), and a power of attorney authorizing the Superintendent of Insurance of the Province to accept service, etc., for it, with certified copy of resolution authorizing signatories. (Act of April 17, 1915.)

PUBLICATION—The certificate of registration must be published in two issues of the Alberta Gazette and in at least one newspaper in Edmonton, once each week for four weeks. Annual statement must be published before April 15 in a daily newspaper in the Province.

REGISTRATION.—Every company must be registered in accordance with law. Companies holding Dominion licenses are granted a certificate of registration. Companies, whether Provincial or foreign, not holding a Dominion license, may obtain Provincial license by conforming with the requirements of the Alberta Insurance Act. Any unregistered company, or representative thereof, carrying on business in Alberta is liable to a fine of \$20 to \$200, or imprisonment not exceeding 3 months. Licenses expire December 31.

REINSURANCE—No prohibition of reinsurance in unregistered companies, but credit in reporting premiums for taxation is only allowed for reinsurances in registered companies.

REINSURANCE RESERVE—Act of April 17, 1915, requires that a company other than a Dominion licensee must "at all times maintain assets in the Province at least equal in value to the total of the unearned premiums upon all outstanding unmatured policies upon property in the Province, calculated pro rata for the times unexpired, together with the amount of matured claims for losses in the Province, and all its other liabilities of every kind in the Province."

RESIDENT AGENTS—Every policy must be approved by a licensed resident agent, who must receive the commission, or some part thereof, when the premium is paid (railroad rolling stock and property in transit excepted). Agents are forbidden to sign blank policies. Penalty for violation, \$20 to \$200, or imprisonment not exceeding 3 months for each policy.

STANDARD POLICY—Chap. 8, Act of April 17, 1915, prescribes a schedule of statutory conditions to be embraced in fire insurance policies and not to be varied unless prominent notice in red ink of variations is given. These are the same as those prescribed in Manitoba and Saskatchewan. Policies, receipts, etc., must bear inscription indicating that company is licensed or registered.

TAXES—A tax of one per cent is imposed on gross premiums received for insurance on property located in Alberta, less return premiums and reinsurance premiums paid to registered companies. If the company has loaned out or invested in Alberta \$50,000 or more, the tax shall be one per cent on gross premiums and one-quarter of one per cent on the income from

investments received by such company in respect of the business transacted in the Province during the preceding year, but money lent upon bonds or debentures issued by the Government of the Province of Alberta is exempt from taxation. The taxes are due and payable to the registrar of companies on or before June 30. Persons placing insurance in unauthorized companies must report same and pay tax of fifty per cent on amount of premiums paid. (Section 88, Chapter 8, Act of April 17, 1915.)

TAX STATEMENTS—Must be filed on or before June 30 with the Provincial Secretary. Penalty for understating amount to be taxed, addition of fifty per cent to amount of tax, and license may be revoked at discretion of Secretary.

BRITISH COLUMBIA.

ANNUAL STATEMENTS—Must be filed on January 1 or within two months thereafter with the Superintendent of Insurance, at Victoria, on form supplied by him.

ATTORNEY—A resident attorney must be appointed to accept service of notices and legal process.

DEPOSIT—An initial deposit of not less than \$20,000 is required; but Minister of Finance may accept satisfactory bond of a guarantee company in lieu of deposit. Deposit not required of company holding a Dominion license.

DOMESTIC COMPANIES—Stock companies are incorporated by special act of the Legislature. (See "Mutual Companies.")

FEES—A license fee of \$250 is charged once. Fee for filing documents on application for license, \$5. Publication of notice of license in British Columbia Gazette, \$5. Renewal of license is necessary, but the fees are nominal. License to adjust when property burned is insured in an unlicensed company, \$10. License to inspect risk insured in unlicensed company, \$10. Fee for filing annual statement, \$1.

FIRE MARSHAL—Provincial Superintendent is authorized to investigate fires. Chiefs of fire departments report all fires to superintendent.

LLOYDS—Provision is made in a law of 1916 for the writing of insurance by reciprocal organization whether authorized or not.

MUTUAL COMPANIES—A mutual company to insure rural subjects may be organized by thirty persons, representing \$60,000 or more of risks.

PRELIMINARY DOCUMENTS—Company must file with Superintendent of Insurance application for license; affidavit that company applying is in existence and is legally authorized to transact business under its charter; statement of location of head office and of head office or chief agency in the Province; power of attorney to a resident at its head office in the Province; statement of affairs and auditor's report thereon up to the last balancing day. Applications must be made only on forms supplied by department. Marine companies are now licensed under the Insurance Act, instead of the Company Act.

REINSURANCE—No law explicitly forbidding reinsurance in unlicensed companies, but reinsurances in unlicensed companies are, as a matter of practice, disallowed.

RESIDENT AGENTS—A law requiring business to be placed through resident agents is in force.

STANDARD POLICY—Uniform policy conditions are prescribed.

TAXES—There is a tax of two per cent on gross premiums from fire insurance, payable to the Superintendent of Insurance before June 30, and a tax of one per cent on income from other sources, payable to the Assessor of Victoria Assessment District before June 30.

TAX STATEMENTS—Showing premiums, form part of annual statements to Superintendent of Insurance; showing other income, must be filed on or before September 1, yearly, with the Assessor of Victoria Assessment District, Victoria.

UNLICENSED INSURANCE—Similar provision to that under Canada, but insured reports such insurance to Superintendent of Insurance and pays tax of 2% on premiums payable to unlicensed insurers. Penalty for acting as agent for an unlicensed company. Licenses to adjust and inspect required. (See Fees.)

MANITOBA.

AGENTS DEFINED—Section 2 (*dd*). The expression "agent" means an acknowledged agent, sub-agent, or any person, firm or corporation who shall in any manner transact the business of insurance by negotiating for or placing risks, or delivering policies or collecting premiums, and shall include those persons who receive commissions or salaries in lieu of commissions.

AGENT'S LICENSES—Agents must procure license from the Superintendent of Insurance; licenses expire May 31.

ANNUAL STATEMENTS—Must be filed with Superintendent of Insurance before April 1. An underwriters' agency must file a separate return.

ANTI-COINSURANCE—Policy containing a coinsurance clause must be so marked in red ink.

ANTI-COMPACT—No provision.

ATTORNEY—The Inspector of Insurance must be appointed by each company and by each underwriter's agency.

CANCELLATION OF POLICY—Provision is made for five-day cancellation notice when served personally, and ten days' notice if sent by mail.

CAPITAL REQUIRED—Authorized, \$500,000; subscribed, \$200,000; paid up \$50,000.

DEPOSIT—If risks in force do not exceed \$1,500,000, domestic companies, \$10,000; Canadian or foreign companies, \$20,000; cash or securities. If risks exceed \$1,500,000, Provincial companies deposit \$200 for each additional \$100,000 or fraction, and Canadian and foreign companies deposit \$5000 for each additional \$1,500,000 or fraction. Mutual companies (except those incorporated before March 2, 1894) deposit \$5000. (Not required of Dominion licenses.) Securities of the Dominion of Canada or any Province thereof, shall be accepted at market value. Funds must be maintained in the Province equal to the unearned premiums on risks located therein and all other liabilities therein. (This does not apply to a company holding a Dominion license.)

DOMESTIC COMPANIES—Every company which takes out and holds a license from the Provincial Treasurer (which is required of all companies except those holding Dominion licenses) is deemed to be a company incorporated by an Act of the Legislature of the Province of Manitoba.

EXAMINATIONS—The Lieutenant-Governor-in-Council may, whenever he deems it expedient, appoint persons to examine companies, and may appoint an Inspector of Insurance to examine into and report to the Provincial Treasurer upon all matters connected with insurance. The Inspector must personally, or by deputy, visit the head or chief office in Manitoba of all licensed companies at least once each year, and examine into and report upon its affairs. A sum not exceeding \$3000 shall be annually contributed by the companies required to be inspected, towards defraying the expenses of the office of inspector; to be assessed pro rata and based on gross annual premium income.

FEES—Under the Manitoba Insurance Act: Recording and filing original papers, etc., \$5; for initial license to do business, or renewal thereof, Provincial company, \$100; Provincial mutual fire company, \$50; inland marine company, \$25; any other company, \$200 (proportionate abatement if taken out later than April); for each underwriters' agency, \$100. Annual fee of \$5 to Inspector of Insurance for service as attorney. Companies transacting insurance business only, secure licenses, etc., from the Provincial Treasurer. Companies operating in Manitoba shall contribute not exceeding \$3000 per annum, in proportion to their respective premium incomes, toward defraying the expenses of the office of Inspector of Insurance. Licensed broker, \$25. Agents' licenses: In cities, \$20; in towns, \$5; in villages, \$3.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—Provision is made for investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS — Not specified.

IMPAIRMENT—Not permitted. If deficiency equals or exceeds 20 per cent of unearned premiums, company's license will be canceled. (This latter does not apply to a company holding a Dominion license.)

INVESTMENTS PRESCRIBED—No provision.

LICENSED BROKERS—Brokers may be licensed to procure insurance in unauthorized companies for parties unable to obtain sufficient insurance in licensed companies.

LICENSES—All companies operating in Manitoba must procure provincial licenses or registration, and all policies, receipts, etc., must state that the company is registered or licensed under the Manitoba Insurance Act. Insuring in an unlicensed company is a violation of law, except that when sufficient insurance cannot be obtained in licensed companies the excess may be placed in unlicensed companies through a special broker accompanied by an affidavit that sufficient insurance could not be procured in licensed or registered companies; if procured in unlicensed companies

except through a special broker, a statement of the facts, together with fifty per cent upon such premiums, shall be respectively filed with and paid to the Provincial Treasurer. Underwriters' agencies must be licensed.

LIMIT ON A SINGLE RISK—None prescribed.

LLOYDS—No provision.

MISCELLANEOUS—Delivery of a policy or receipt is deemed conclusive evidence of payment of premium in an action to recover for a fire loss. All policies or insuring documents must bear the inscription across their faces, "Licensed under the Manitoba Insurance Act," or "Registered under the Manitoba Insurance Act." Penalty for false stamping, \$200 for each offense. Underwriters' agencies are prohibited unless a permit has been granted, and must issue policies in name of parent company.

MUTUAL COMPANIES—A mutual company may be formed by thirty persons representing \$50,000 or more of insurance.

PRELIMINARY DOCUMENTS—Company must file copy of act of incorporation, power of attorney, latest financial statement, receipts, etc.

PUBLICATION—Each company obtaining a license must advertise the fact by four insertions in The Manitoba Gazette, and at least one newspaper in the municipality where the principal agent in the Province is located. The company is also required to thus give notice when it ceases business in the Province.

RECIPROCAL LAW—None.

REINSURANCE—No prohibition of reinsurance in unauthorized companies.

REINSURANCE RESERVE—To be computed on Dominion Government standard.

RESIDENT AGENTS—Must approve all policies and receive commissions, except on railroad rolling stock and property in transit. Agents must not sign blank policies.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—Statutory conditions are required to be printed upon and to form a part of each fire insurance policy; but their effect may be altered by clauses printed in red ink, if such alterations are just and reasonable. Material misrepresentations only void policy. Contracts shall not exceed the term of three years (mutual companies, five years).

TAXES—One per cent on gross premiums (including business placed through licensed brokers, but not including reinsurances); less amount paid to Superintendent of Insurance, also one-quarter of one per cent on income from investments in Manitoba, if they exceed \$50,000. One-third of one per cent is also charged as a fire (commissioner) marshal tax; payable to Provincial Treasurer. Fifty per cent upon premiums paid to unlicensed companies, other than upon those risks placed by licensed brokers, or without permission of the Provincial Treasurer or Lieutenant-General-in-Council, shall be paid to Provincial Treasurer. In 1915 an income tax on premiums went into effect, as follows: On premiums of less than \$50,000, 1 per cent; on \$50,000 to \$100,000, 1¼ per cent; on \$100,000 to \$150,000, 1½ per cent; on \$150,000 to \$200,000, 1¾ per cent; on \$200,000 or more, 2 per cent.

These taxes are reduced by amounts paid under the provisions of the Manitoba Insurance Act.

TAX STATEMENTS—Must be filed with Deputy Provincial Treasurer on or before April 1.

VALUED POLICY—No provision.

NEW BRUNSWICK.

AGENTS' LICENSES—Special or traveling agents or brokers soliciting insurance and not residing in the Province, nor having resided in the Province during the preceding twelve months, are required to pay an annual tax or license fee of \$100 to the Receiver-General. Penalty for violation, \$100 and \$10 additional for every day engaged in such business.

ANNUAL STATEMENTS—To be filed with Provincial Treasurer on or before April 1, and must embrace a list of agents. No filing fee. Penalty for non-compliance, \$10 per day.

ATTORNEY—Service may be made upon any agent of a company who has acted as such agent within twelve months prior to the laying of the information.

RESIDENT AGENTS—All policies must be signed by resident agents under penalty of \$200 to \$500 for each policy not so issued. The name of a company's general agent who alone is authorized to sign or countersign policies, or if the company has no general agent in the Province the names of all agents having authority to sign or countersign policies for the company must be filed with the Receiver-General. Any person adjusting or appraising a loss under a policy not signed or countersigned by a resident agent is liable to a fine of \$100 to \$200.

STANDARD POLICY—Certain conditions, prescribed by law, are deemed to be a part of every insurance contract.

TAXES—There is a tax of one per cent on gross premiums received upon business within the Province less amounts paid for reinsurances within the Province, or upon the cancellation of any policies in the financial year preceding May 1, payable June 1, to Receiver-General of Province. An additional sum of \$100 must be paid by each fire insurance company whose principal office and organization is not within the Province, but which holds a Dominion license. All companies, corporations, associations, firms, partnerships and individual underwriters and associations of underwriters upon the plan known as Lloyd's, whose principal office is not within the Province and which do not hold a Dominion license, pay two per cent on net premiums and \$200. Insurance on risks protected by automatic sprinklers is exempt.

TAX STATEMENTS—Must be filed May 1, under penalty of \$10 per day.

NOVA SCOTIA.

ANNUAL STATEMENTS—Statement must be filed on entering, and annually in January, showing capital, officers, etc., under penalty of \$10 per day.

ATTORNEY—A resident attorney must be appointed, and his name and address filed with Registrar of Joint Stock Companies.

MISCELLANEOUS—No company to which the provisions of the Dominion Insurance Act are applicable may operate in the Province unless it has complied with that act.

STANDARD POLICY—Statutory conditions are required to be printed upon and to form a part of each fire insurance policy; but their effect may be altered by clauses printed in different colored ink, if such alterations are just and reasonable. Material misrepresentations only void policy.

TAXES—A tax of one per cent on gross premiums, less sums repaid as returned premiums, on cancellation of policies, and less reinsurance premiums paid to licensed companies, is payable annually to the Provincial Treasurer by June 1; minimum tax, \$50.

TAX STATEMENTS—Must be filed on or before April 1 with Provincial Treasurer.

ONTARIO.

AGENTS DEFINED—(Ins. Act 99a)—“(1) The word ‘agent’ in this section shall include an acknowledged agent, sub-agent or any person, firm or corporation who shall in any manner transact the business of insurance by negotiating for, or placing risks, or delivering policies, or collecting premiums, but shall not include the officers and salaried employees of any company who do not receive commissions.”

AGENTS’ LICENSES—(Ins. Act, Sec. 99a)—“(1) No agent shall act for any company in Ontario unless he has fully complied with the provisions of this section and has procured an agent’s certificate of authority from the Superintendent of Insurance.” Licenses expire September 30. Penalty for violation, fine of \$20 to \$200.

ANNUAL STATEMENTS—To be delivered on or before February 1, annually, with a statement fee of \$5 in the case of stock or cash-mutual companies. This statement is the only one required.

ANTI-COINSURANCE—Coinsurance permitted if “this policy contains a co-insurance clause” is printed in red ink on policy.

ATTORNEY—A resident attorney must be appointed.

BROKERS’ LICENSES—The Ontario Insurance Act, R. S. O., 1914, C. 183, provides for the licensing of insurance brokers; fee, \$25. They may insure in unregistered companies approved by Minister. A bond of \$5000 is required.

CAPITAL—A domestic company must have a capital stock of at least \$500,000, of which at least \$300,000 must be subscribed and \$30,000 paid in. An automobile insurance company may be formed with \$100,000 minimum authorized capital (at least \$20,000 paid in) to write all classes of automobile risks.

DEPOSIT—An outside stock company having \$2,000,000 or less of insurance in force must deposit \$50,000. Deposit increases \$5000 for every \$1,000,000 or fraction thereof of risks in force until twice the initial deposit; then

increasing \$2000 for each \$1,000,000 of risks. Provincial or Canadian stock company, initial deposit, \$25,000. Company holding Dominion license may withdraw deposit.

DOMESTIC COMPANIES—Five or more persons may secure a charter from Lieutenant-Governor on the recommendation of the Superintendent, after advertising notice of its intention and complying with the other provisions of the law.

EXAMINATIONS—Domestic companies must be examined yearly. Other companies may be examined at the discretion of the superintendent, and the expense of such examination, not to exceed \$5 per day and traveling expenses, must be borne by the companies examined.

FEES—All companies must be registered by Superintendent of Insurance of Province under penalty of fine for first offense and imprisonment for subsequent offenses. Fees are payable to Superintendent of Insurance. For each agent's license, \$3. Fees payable by companies holding Dominion licenses: Application for initial registry, \$5; extension of time for making application or delivering documents, \$2; filing power of attorney, in case of extra-provincial corporations, \$5; filing change of power of attorney, \$5; certificate of registry, original or renewed, \$150 (on or before April 30); interim certificate of registry, or extension of certificate, \$5; revivor of registry after suspension, \$25; certificate of registry for inland or ocean marine insurance, \$10. Fees payable by Provincial companies: For examining and passing upon applications or documents under Sections 9, 21, 27, 51 and 161, \$10; for filing power of attorney under Section 81, \$5; application for change of name or of head office, \$10; for initial license to do business, joint stock company, \$100; cash mutual company, \$50; mutual company, \$25; for each annual renewal of license, joint stock company, \$50; cash mutual company, \$25; mutual company, \$5, for each supplementary license, initial, \$20; renewal, \$10; for filing annual statements (joint stock and cash mutual companies), \$5. Insurance brokers, \$25; \$5,000 is assessed on mutual companies.

FIRE MARSHAL—Provision is made for a fire marshal. A new law was enacted in 1915.

LICENSES—Every company must be registered to transact business in Ontario. Failure to register makes the agent placing a risk liable to heavy penalties.

MISCELLANEOUS—Underwriter's agency must procure a license, and its guaranteeing companies must be licensed.

MUTUAL COMPANIES—Mutual companies may be formed with one hundred members subscribing for \$250,000 or more of insurance. Sec. 150, R. S. O., 1914, C. 183: "(1) A registered cash-mutual fire insurance company may effect insurance upon the cash-premium plan, for a period not exceeding three years, on farm and other non-hazardous property, and for one year or less on any other class of property, but the amount of premiums received on cash insurances in any one calendar year shall not exceed four

times the amount which the company has then on deposit with the Minister.

(2) If at any time the amount of such premiums exceeds the amount authorized by subsection 1, the company shall at once increase its deposit to an amount sufficient to warrant the excess, and in default the Minister may suspend or cancel its license. (3) All the property and assets of the company, including premium notes, shall be liable for all losses under contracts of insurance for cash premiums."

RECIPROCAL LAW—Reciprocal provision applies to taxes and license fees.

REINSURANCE—Not prohibited in unregistered companies, but original writing company is liable for tax.

RESIDENT AGENTS—All business must be written through licensed agents.

STANDARD POLICY—"Statutory Conditions" are required to be printed upon and to form a part of each fire insurance policy; but the effect of these may be altered by clauses printed in different colored ink, if held by the court to be just and reasonable. Material misrepresentations only void policy. Policy may be canceled on seven days' notice.

TAXES—There is a tax of one per cent on gross premiums, payable by all insurance companies except purely mutual domestic fire insurance companies. Fire marshal tax, one-third of one per cent on premiums.

TAX STATEMENTS—Must be filed with the Treasury Department on or before April 1.

PRINCE EDWARD ISLAND.

ANNUAL STATEMENTS—Every company transacting business in Prince Edward Island, whether foreign or otherwise, liable to taxation under "The Companies' Tax Act," under penalty of \$10 for each day in default, must before beginning business in Prince Edward Island, and annually each year thereafter on April 1, file with the Provincial Treasurer a statement showing corporate name of the company, capital, authorized stock of company, etc.; also an affidavit that the company is still in existence and authorized to transact business under its charter. A true copy of the charter of the company is also required to be filed when the company registers only, and in the case of insurance companies the balance sheet and auditor's report is filed at time of registration, and also on April 1 each year thereafter.

TAXES—The Provincial Government imposes an annual tax of \$150 on each fire insurance company, whose principal office or organization is not within the Province, transacting business within the Province, which tax is payable semi-annually, on June 1 and December 1, to the Provincial Secretary. A Provincial company pays \$75 (except mutual companies). Proportionate tax on company entering to June 1 or December 1 following.

QUEBEC.

AGENT DEFINED—Law of March 16, 1916, (6961b.), "The words 'insurance agent,' in this section shall include an acknowledged agent, sub-agent or any person, firm or corporation who shall, on behalf of any insurance company, in any manner transact the business of insurance by negotiating for or placing risks, or delivering policies, or collecting

premiums, but shall not include the officers and salaried employees of any insurance company who do not receive commissions * * * .”

ANNUAL STATEMENTS—Must be filed with Provincial Treasurer before March 1.

ATTORNEY—A resident of the place where the head office of the company in the Province is located must be appointed attorney.

CAPITAL—A domestic company must have a capital stock of at least \$500,000, of which at least \$300,000 must be subscribed and \$30,000 paid in.

DEPOSIT—An outside stock company having \$2,000,000 or less of insurance in force must deposit \$50,000, and \$5000 additional for every additional \$1,000,000 or fraction thereof of risks in force, to secure a license from the Provincial Government direct. Dominion licensees, with deposits at Ottawa, are not required to make deposits with the Provincial Government, nor to file statement.

EXAMINATIONS—The Provincial Treasurer and the Inspector are authorized to make examinations.

FEES—Company domiciled outside of Province, and not having a Dominion license, must obtain a Provincial license from the Provincial Treasurer. Fees payable by companies licensed by the Province: For recording and filing documents required to be filed by new domestic stock and mutual companies, \$10; for filing power of attorney, \$5; application for change of name or of head office, \$10; initial license, stock company, \$100; annual renewal, \$50; initial license, cash mutual company, \$50; annual renewal, \$25; initial license, Mutual company (other than municipal), \$25; annual renewal, \$5; supplementary license, \$20, renewal, \$10; filing annual statement, \$5; revival of license after suspension, \$15; license for mutual going on cash basis, \$10; original license, parish or municipality mutual company, \$20. Fees payable by companies licensed by Dominion of Canada, on application for initial registry, \$5; filing power of attorney (foreign company), \$5; change of power of attorney, \$5; certificate of registry, \$150; revival of registry after suspension, \$25. Expenses of inspector, not exceeding \$4000, to be contributed pro rata, according to amount of insurance in force by Provincial companies, in addition to fees for license, etc. Fees for incorporation of insurance companies: \$180 for capital of \$25,000 to \$100,000; \$225 for \$100,000 to \$200,000; \$275 for \$200,000 to \$300,000; \$325 for \$300,000 to \$500,000; \$375 for \$500,000 to \$700,000; \$425 for \$700,000 to \$900,000; \$450 for \$900,000; \$500,000 to \$700,000; \$425 for \$700,000 to \$900,000; \$450 for \$900,000 to \$1,000,000.

INVESTMENTS PRESCRIBED—Provision is made for the investment of funds of domestic companies.

LICENSES—Companies must be registered with the Provincial Treasurer. Licenses expire June 30.

LIMIT ON A SINGLE RISK—Ten per cent (net) of capital and surplus, for a stock company; for a mutual company, \$5,000, not reinsured.

MUTUAL COMPANIES—A mutual company may be formed by 200 per-

sons, representing \$200,000 or more of risks. Provision is also made for county mutual companies, etc.

PRELIMINARY DOCUMENTS—To be filed with Provincial Treasurer: Certified copy of charter; power of attorney to a resident of the Province, and a financial statement (if company is not licensed under Insurance Act of Canada). Registration certificates of Dominion licensees registered with Provincial Treasurer are renewable on April 30, annually.

REINSURANCE—Credit is allowed for reinsurances in authorized companies. Premiums paid to unlicensed companies are taxed at same rate as if paid to licensed companies.

RESIDENT AGENTS—Law of March 16, 1916, (6961a.), "No insurance agent shall do business as such in this Province who is not a *bona fide* resident of the Province. Nevertheless the provisions of the first paragraph of this article shall not apply to an agent residing in any other Province whose laws permit agents residing in this Province to do business in such other Province on the same terms and conditions as residents thereof."

RETALIATORY LAW—Tax may be increased upon companies of Province or State discriminating against Quebec companies.

STANDARD POLICY—"Statutory Conditions" are required to be printed upon and to form a part of each fire insurance policy; but the effect of these may be altered by clauses printed in different colored ink, so far as such altering clauses are held by the court to be just and reasonable. Material misrepresentations only void policy.

TAXES—A tax of one per cent is levied on gross premiums; but such tax shall not be less than \$250 for each company. Unregistered competitors are liable for 1% only, exempt from the minimum. Credit is allowed for reinsurance in licensed companies. Premiums paid to unlicensed companies are taxed at same rate as if paid to licensed companies, the tax being paid by the insured or his broker. Taxes are payable July 1. Marine company, agent or broker is taxed \$250. An additional tax of $\frac{1}{4}$ of 1 per cent on gross premiums is levied under the act for the Prevention of Fires, payable to Provincial Treasurer. Municipalities may tax insurance companies, but there is no statute establishing uniformity in such taxation.

TAX STATEMENT—Must be filed by May 1 with Provincial Treasurer.

SASKATCHEWAN.

ADJUSTERS' LICENSES—(Sec. 67). Every adjuster other than an agent holding a certificate of authority under Section 63 must hold a certificate from the Superintendent of Insurance (expiring June 1), and must report adjustments monthly. No fee for license.

AGENTS DEFINED—Sec. 63. (1) "The term 'agent' shall include an acknowledged agent or any other person who shall in any manner aid in transacting the insurance business of any insurance corporation or company, and shall also include any broker whose business in whole or any part is to negotiate for and place risks either on property situated and located in the Province and to deliver policies covering the same and collect premiums therefor, or to negotiate for or place other contracts of insurance."

AGENTS' LICENSES—Sec. 63. (2) "No person, firm or corporation shall act as agent for any insurance company or corporation in the transaction of any insurance business in this Province, or negotiate for or place contracts of insurance for any such company or corporation, or in any way or manner aid such company or corporation in effecting insurance in this Province, unless he shall have obtained from the Superintendent of Insurance a certificate of authority to negotiate in the business of insurance.

(3) "Such certificate of authority shall be applied for on a form prescribed by the Superintendent and may be issued to such person, firm or corporation on the approval of the application by the Superintendent and the payment of the prescribed fee."

(6) "The holding of a certificate of authority from the Superintendent of Insurance to transact the business of insurance, shall ipso facto exempt the holder of such certificate from any license fee for the transaction of insurance imposed by any city, town, village or municipality within Saskatchewan." Licenses expire February 15. This does not apply to agents representing mutual fire insurance companies only. No company can accept any application from an unauthorized agent.

ANNUAL STATEMENTS—Must be filed within sixty days after January 1. Each underwriter's agency must file separate return.

ANTI-COINSURANCE—(Sec. 79) (3) Policies may contain a coinsurance clause, but it must have printed or stamped across the face in red ink the words: "This policy contains a coinsurance clause."

CAPITAL REQUIRED—For fire company: Authorized, \$500,000; subscribed, \$200,000; paid up, \$25,000. For marine company: Authorized, \$100,000; subscribed, \$50,000; paid up, \$10,000. (Does not apply to companies licensed or registered on February 15, 1914, until February 15, 1916, nor to Dominion licensees).

DEPOSIT—Provincial company must deposit with the Minister \$10,000; extra-Provincial company, \$20,000; Provincial mutual company writing mercantile or manufacturing risks deposits \$5,000; extra-Provincial mutual company, \$10,000. If risks in force exceed \$1,500,000, an extra-Provincial company must in addition deposit \$5000 for each \$1,500,000 or fraction thereof of such excess; and a Provincial company must deposit \$200 for each \$100,000 or fraction thereof of such excess over \$1,500,000. (These deposits are not required of companies licensed under the Insurance Act of Canada.) Deposits may be used by Superintendent for the purpose of reinsuring a company's Saskatchewan risks, as and when he sees fit.

EXAMINATIONS—The Superintendent of Insurance must visit the head office or chief agency of each company in Saskatchewan at least once each year and examine the statements of condition and affairs of each company. Examinations may be made at the head offices of companies organized outside of the Province. Examinations may be made at discretion of Minister. Abstracts of records may be made at expense of company.

FEES—Payable to Superintendent: For recording and filing documents required prior to issuance of license, \$5; for initial license or renewal thereof, Provincial company, \$200; extra Provincial company, \$200; underwriters' agency, \$100; mutual companies, Provincial, \$25; extra-Provincial, \$50; for certificates of authority: In cities, \$25; in towns, \$5; elsewhere, \$3. Insurance other than fire, \$2. Broker's license to deal with unlicensed foreign company, \$25.

FIRE MARSHAL—The Lieutenant-Governor in Council has appointed a fire commissioner to investigate all fires in the Province.

GENERAL PENALTIES—For any violation, \$200 for each offense.

IMPAIRMENT—If a company's liabilities in Saskatchewan exceed its assets in the Province (including its deposit), it shall promptly make good the deficiency or its license will be canceled. If impairment equals or exceeds twenty per cent of unearned premium reserve.

LICENSED BROKERS—Brokers may be licensed to deal with unlicensed foreign companies. License must furnish security to the extent of \$2000.

MISCELLANEOUS—Every policy must bear on its face the words: "Licensed under the Saskatchewan Insurance Act." Underwriters' agencies must be licensed as well as their guaranteeing companies. Every company not incorporated in Canada must certify that it has been in business for five years before it can receive a Saskatchewan license. Provision is made for the insuring of Saskatchewan risks in unlicensed companies.

MUTUAL COMPANIES—Provision is made for the organization of mutual companies.

PRELIMINARY DOCUMENTS—Before securing license company must file with Superintendent: A certificate of registration under the Companies Act; certified copy of act of incorporation; affidavit that company is still in existence and legally authorized to transact business; certified copy of last balance sheet and auditor's report thereon; notice of location of head office in Province and of home office; a certificate of examination made by its home government; amount of capital, number of shares, number of shares subscribed, and amount paid thereon; statement of December 31 last (from companies not licensed under the Dominion Insurance Act). Licenses expire December 31.

PUBLICATION—On first obtaining its license, company shall publish notice thereof in two successive issues of the Saskatchewan Gazette, and shall publish like notice when it ceases business in the Province.

REINSURANCE—No prohibition of reinsurance in unlicensed companies. Reinsurance reserve same as prescribed by Insurance Act of Canada.

RESIDENT AGENTS—All risks must be approved by licensed resident agents, who shall countersign all policies and receive the commissions thereon (or any part thereof). This does not apply to direct insurance covering the rolling stock of railroads or property in transit, etc. Agents are forbidden to sign blank policies. Penalty for violation, fine of \$20 to \$100.

STANDARD POLICY—Uniform policy conditions are prescribed. All policies or insuring documents must be stamped across their face, "Licensed under the Saskatchewan Insurance Act."

TAXES—A tax of one per cent is payable to the Provincial Treasurer on or before July 1 on gross premiums received in the preceding year ending December 31 on policies insuring property located in Saskatchewan. Mutual companies pay on gross cash premiums received upon insurance on the cash plan. Credit is allowed for reinsurances, but if business is reinsured in a company not conducting business in Saskatchewan the original company is responsible for the tax. If a company lends money on security and has invested in the Province more than \$50,000 (except bonds or debentures of local or public authorities), such company shall pay a tax of forty cents on every \$1,000 invested. Licensed brokers pay $1\frac{1}{2}$ per cent on premiums paid to unlicensed foreign companies. Property owners may insure directly in unlicensed foreign companies or inter-insurance associations (if the latter do not solicit business in Saskatchewan), but must report such transactions and pay a tax equal to fifty per cent of premiums thereon, unless such insurance is placed with the consent of the Superintendent or through licensed broker. **Fire Prevention**—A special tax of $\frac{1}{3}$ of 1 per cent on premiums collected the preceding year is payable March 1, under the Fire Prevention Act. This tax goes to a special fund and is not part of the general revenue of the Province.

TAX STATEMENTS—Must be filed on or before May 1 with Registrar of Joint Stock Companies.

MUNICIPAL TAXES AND FEES.

(Alberta agents are exempt from municipal license fees. Municipal licenses not required in Ontario. By a statute of the Provincial Legislature, 75 per cent of the assessed value of premises occupied by a company or agency is taxed at the current property tax rate for the benefit of the municipality.)

ANTIGONISH—For each company, 2 per cent every \$20 of net income representing \$100 for taxation.

BATTLEFORD, SASK.—For each agent, \$5, payable June 1.

BEDFORD, QUE.—For each agent, \$10.

CHARLOTTETOWN, P. E. I.—Each company, \$75 yearly, payable June 1.

CHICOUTIMI, QUE.—Each company, \$10; each agent, \$5, payable May 1

CHILLIWACK, B. C.—For each agent, \$5 every six months.

COATICOOK, QUE.—For each company, \$15, payable May 1.

FARNHAM, P. Q.—For each company, \$15.

FERNIE, B. C.—For each agent or agency, \$56, semi-annually.

FRASERVILLE, QUE.—For each company, \$50; for each agent, \$10, payable May 1.

FREDERICTON, N. B.—For each company, \$25; for each agent, \$5; 2 per cent premium above \$4000 annually, payable August 1.

- HALIFAX, N. S.—For each company, \$200, payable May 1.
- HULL, P. Q.—For each company, \$25; for each agent, \$5, payable May 1.
- KAMLOOPS, B. C.—For each agent, \$5, payable semi-annually, January and July.
- LACHINE, QUE.—For each agent, \$8 per annum, payable May 1.
- LACHUTE, QUE.—For each agent, \$5, payable January 5.
- LAUZON, QUE.—For each company, \$15; for each agent, resident \$2, non-resident \$15, payable May 1.
- MONCTON, N. B.—For each company, \$36.12 per annum.
- MONTREAL, P. Q.—For each company, one per cent on premiums, payable May 1; also $7\frac{1}{2}$ per cent land tax.
- NELSON, B. C.—For each agent, \$10 per annum, payable semi-annually, January 15, July 15.
- NICOLET, QUE.—For each agent, \$10, payable May 1.
- ORMSTON, P. Q.—For each company, \$5; for each agent, \$3; payable October 1.
- PARKDALE, ONT.—For each company, \$25.
- PORTAGE LA PRAIRIE, MAN.—Twelve and one-half per cent of rental of premises, payable October 1 to December 15.
- QUEBEC—Each company, \$500; each agent, $12\frac{1}{2}\%$ on rental, payable in Nov.
- RIVIERE DU LOUP, QUEBEC—For each company represented by resident agent, \$25; for each non-resident agent, \$50.
- ST. HYACINTHE, QUE.—For each agent, \$30 for first company, and \$10 for each additional company, payable May 1.
- ST. JOHN, N. B.—For each company, \$10 (salvage corps assessment).
- ST. JOHNS, QUE.—For each company, \$10.
- SHERBROOKE, QUE.—For each company or broker, \$25, payable May 1.
- SOREL, QUE.—For each company, \$25; for each agent, \$15, payable May 1.
- SYDNEY—For each company, \$20; also tax at personal property rate based on \$100 for each \$20 of net annual income or profit; for non-resident agent, \$20.
- SUMMERSIDE, P. E. I.—A license fee of \$10 per annum is imposed upon each company operating in the town of Summerside, which fee is payable June 1 to the town clerk. A company transacting more than one branch of insurance business shall pay a similar fee for each branch. Agent soliciting for a company not domiciled in the Province pays a fee of \$10.
- THREE RIVERS, QUE.—For each company, \$75 per year or for any fraction of a year, payable January 1.
- VALLEYFIELD, P. Q.—Each company, \$10; each agent, \$8, payable May 1.
- WALKERTON, ONT.—For each agent, current rate on assessment of \$500.

CANAL ZONE

The law governing the conduct of insurance companies in the Canal Zone is set forth in the Executive Order of the Secretary of War, dated March 12, 1907, which reads as follows:

EXECUTIVE ORDER.

By direction of the President, it is ordered:

That no life, fire, accident, industrial, or indemnity insurance company shall be permitted to do business within the Canal Zone until it shall have complied with the following requirements:

1. It shall file with the Executive Secretary:
 - (a) A certified copy of its articles of incorporation.
 - (b) A certificate of the Insurance Commissioner of the State of its incorporation showing that it is authorized to do business in the home jurisdiction.
 - (c) A resolution of its Board of Directors designating an agent within the Canal Zone upon whom legal process may be served.
 - (d) A certified copy of its last annual statement to the Insurance Commissioner of the State or country in which it may be incorporated; and from time to time thereafter copies of such additional reports as it shall make to the home Commissioner.
 - (e) A sworn statement, showing the amount of its capital stock paid in, its surplus, the amount of insurance it has outstanding, and the number of unsettled or uncontested claims pending against it.
2. It shall deposit with the executive Secretary \$10,000 in cash or current securities, which shall be available to satisfy any judgment that may be rendered against it under any insurance policy that it may issue.
3. Upon complying with these conditions and the payment of an annual fee of \$50, the Executive Secretary will issue to such company a certificate authorizing it to do business within the Canal Zone. Such certificate, however, shall be terminable by the direction of the chief civil authorities of the Canal Zone; but if terminated without fault upon the part of the insurance company, a proportionate rebate of the license fee will be made to the insurance company.
4. Each company, as a condition of continuing to do business within the Canal Zone, shall file with the Executive Secretary, between January 1 and March 1 of each year, a sworn statement showing the business done by it within the Canal Zone during the previous calendar year, and shall pay, on or before March 1, to the Executive Secretary, in lieu of all other taxes save taxes upon real estate and the annual fee provided for in Section 3 hereof, a license tax equal to one and one-half per centum of its premium receipts for the calendar year preceding.
5. The agent of any unlicensed insurance company doing business within the Canal Zone shall be subject to a fine not exceeding \$25 for the first offense, and not exceeding \$100 for the second offense.

COLORADO.

STATE REQUIREMENTS.

AGENTS DEFINED—Insurance Code, Sec. 21 (5), "A person not a duly licensed insurance broker, licensed solicitor, or licensed agent's employee, who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, shall be an insurance agent within the intent of this act, and shall thereby, except as otherwise provided in sub-division 6 of this section, become liable for all the duties, requirements, liabilities and penalties to which an agent of such company is subject, and such company by compensating such person through any of its officers or agents or employees for soliciting, shall thereby accept and acknowledge such person as its agent in such transaction."

AGENTS' LICENSES—Company must procure for each agent or solicitor a copy of its certificate of authority; certificates expire the first day of March. Certificate required for each member of firm. An agent or solicitor must have a license for each company for which business is solicited. Should be filed prior to March 1. Penalty for acting for an authorized company without a certificate, \$100 fine, or imprisonment for 2 months, or both; for representing an unauthorized company, \$100 fine, or 2 months' imprisonment, or both; for accepting business from an unlicensed agent or broker, suspension or revocation of license.

ANNUAL STATEMENTS—Must be filed with Commissioner on or before March 1. (Annual tax statements are only ones required annually.)

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—Insurance Code, sec. 55, provides that every insurance company and agent is prohibited from making any contract or agreement other than that expressed in the policy issued thereon. No company or agent is allowed to give directly or indirectly as an inducement any rebate of premium payable on the policy or any encomium of any kind other than specified in the policy. Violation by an officer or agent of a company is considered a misdemeanor and the offender is liable to a fine of from \$100 to \$500, or imprisonment for from thirty to ninety days, or both. (Sec. 57.) Any person knowingly accepting such rebate or allowance is guilty of a misdemeanor and is punishable by \$100 fine or imprisonment for thirty days, or both.

ATTORNEY—The Commissioner must be empowered to accept service of legal process.

CANCELLATION OF POLICY—Part of Sec. 61, Insurance Code. "The Commissioner shall refuse to authorize any such fire insurance company, association or corporation to do business in this State, whenever the form

of policy contract issued or proposed to be issued by any such company, association or corporation does not provide for the cancellation of the same at the request of the insured upon equitable terms; or whenever the form of policy does not provide that in case the policy shall be cancelled at the request of the insured, the premium having been actually paid, that the unearned portion shall be returned on surrender of the policy or last renewal, the company in no event retaining an amount in excess of the amount shown to be the earned portion of said premium, as per the customary short-rate table."

CAPITAL REQUIRED—Not less than \$200,000. A domestic company limiting its operations to Colorado, is only required to have \$50,000 of its capital paid in.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents. Agents must not pay commissions to persons not holding certificate.

DEPOSIT—Foreign companies must have \$200,000 deposit in Colorado, or some other State. Such deposit may be made in the securities, but subject to the limitations specified under "Investments Prescribed." Domestic companies deposit amount of minimum capital.

DOMESTIC COMPANIES—Sec. 30, Ins. Code. "Whenever any number of persons shall associate to form an insurance company for any of the purposes named in the preceding sections, and become incorporated in accordance with the provisions of Chapter XIX of the General Statutes of 1883, they shall file a copy of the articles of incorporation with the Commissioner, who shall submit the same to the Attorney-General for examination, and if found by him to be in accordance with the provisions of this act, and not inconsistent with the Constitution of this State, he shall certify and deliver back the same to the Commissioner, who shall commission the persons named in the certificate of incorporation, or a majority of them, to open books for the subscription of stock in the company at such time and place as they shall deem it convenient and proper, but every such commission shall expressly state that it is issued subject to all the provisions of this act, and a full compliance therewith by the persons receiving such certificate." In organizing under the laws of the State no company is allowed to pay more than 20 per cent of sum realized from sale of its capital stock for organization expenses. Before issuing a commission authorizing the sale of stock the commissioner satisfies himself that the company has been formed in good faith. (Sec. 32.)

EXAMINATIONS—Ins. Code, Sec. 12. "The Commissioner of Insurance shall examine and inquire into violations of the Insurance Laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any company, he may visit, or cause to be visited by his actuary, or examiners of his office, the head office in the United States of any domestic or foreign insurance company applying for admission to or already admitted to do busi-

ness in this State, and may for these purposes examine or investigate any company organized under the laws of Colorado, and any agency of any company doing business in this State; provided that the Commissioner may employ competent persons other than the actuary or examiners of his office to make examinations of such companies; and further provided that the consent of the Governor must be obtained to all examinations, inquiries or investigations. The cost of such examinations when made beyond the borders of the State of Colorado shall be paid by the company examined, and shall include the reasonable expenses of the Commissioner, and assistants employed therein, whose services are paid for by the Department, and the compensation and reasonable expenses of his assistants employed therein whose services are not paid for by the Department. * * * The Commissioner may also examine companies upon the request of five or more of the policyholders, representing at least \$100,000 insurance in force, who shall make affidavit of their belief, with specifications of their reasons therefor in writing, that such company is in an unsound or insolvent condition; provided, that only the United States branches of companies incorporated in foreign countries shall be examined by said Commissioner." Results of such examinations must be published within fifteen days by Commissioner in a Denver newspaper. If company is unsound Commissioner, after due notification, may revoke such company's license. (Sec. 13.) False swearing or failure to produce books shall be held to be a misdemeanor, punishable by fine not exceeding \$500, or imprisonment for not exceeding three months, or both. Any person making any false certificate, entry, memorandum, or figures with intent to deceive the Commissioner is liable to a fine of \$1000, or imprisonment for not less than two months, nor more than twelve months in the county jail, or both.

FEES—Insurance Code, sec. 14. For filing annual statement, \$50; certificate of authority, \$5; filing articles of incorporation (domestic companies), \$50; filing power of attorney and statement preliminary to entrance, \$50; filing copy of charter, same as paid Secretary of State; copy of certificate for use of agent or solicitor, \$2; for broker's license, \$10; copy of paper on file, 20 cents per folio; for effixing seal, \$1; for accepting service of process, \$2. County mutual associations: For filing articles of incorporation, \$10; for certificate of authority (annually), \$5; for filing annual statement, \$5. Fees payable to Commissioner of Insurance. Penalty for non-payment of fees, revocation of license. Fee to Secretary of State for filing certified copy of articles of incorporation and all amendments thereto, \$30 (minimum); for filing certified copy of portion of the corporation laws of State in which company is organized, which applies to company, \$5; for filing certificate showing that company has appointed Colorado Insurance Commissioner its attorney, \$5; for filing affidavit of president and secretary setting forth the entire amount of capital and the portion thereof represented by corporate assets employed in Colorado, \$1; for issuing certificate that fees have been paid, \$5. (If more than \$50,-

ooo of capital and assets is employed in Colorado, 30 cents per \$1,000 on the excess). A fire company need file documents with the Secretary of State but once in twenty years, unless charter expires sooner. Mutual companies' fees to Secretary of State (payable once), \$13.50.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

IMPAIRMENT—When a company is in unsound condition its license must be revoked.

INTER-INSURANCE ASSOCIATIONS—Section 81. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, excepting life insurance. The office or offices through which such indemnity shall be exchanged shall be classified as 'Reciprocal or Inter-insurance exchanges.'" Contracts may be executed by an attorney acting for such subscribers. Subscribers must make a declaration, stating by-laws, etc., that applications have been made for insurance on at least 100 risks, aggregating \$1,500,000, properly covered; and must deposit \$25,000 with the attorney. Attorney on filing annual statement must pay a filing fee of \$15; \$5 for certificate of authority; \$5 for filing declaration, and an annual tax of two per cent of net premiums.

INVESTMENTS PRESCRIBED—Capital, surplus and accumulated funds of a Colorado company may be invested in bonds and mortgages on real estate worth fifty per cent more than the amount loaned, exclusive of buildings (unless the latter are insured for the benefit of the company); bonds or other evidences of indebtedness of the United States, the District of Columbia, or any State of the United States, or of any county, incorporated city, town or school district in the United States; improvement certificates of Colorado cities; if first liens upon real estate; interest bearing first mortgage bonds of dividend-paying corporations (except mining corporations); or such funds may be loaned upon the security of the bonds, notes, etc., named, if the current market value of such securities is at least twenty-five per cent more than the amount loaned thereon. This section shall not prohibit any company from accepting any other assets than herein enumerated in payment of debts due company, in order to protect its interests, provided that assets so accepted which are not of the character heretofore described, shall be considered as not admitted assets. (Sec. 26). Real estate, except for home office occupancy, is not a permissible investment, and that taken under foreclosure or in satisfaction of debt must be sold within five years.

LICENSED BROKERS—Brokers may be licensed (fee \$10 per year) to place risks with licensed companies. Licenses expire first day of March.

LIMIT ON A SINGLE RISK—Net line, ten per cent of paid-up capital and surplus.

LLOYDS—No provision.

MISCELLANEOUS—A Colorado company doing business in another State without having procured a license in such State, is liable to have its Colorado license revoked. (Sec. 28.) Consent of both parties is required before removing a law suit to a Federal Court. (Sec. 39.) Penalty for violation, revocation of license. Promotions of new companies are under supervision of Insurance Department.

MUTUAL COMPANIES—Ins. Code, Sec. 67. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of fire insurance on the mutual plan; but no such corporation shall begin to do business until a guaranty fund of at least \$10,000 has been provided and deposited in cash or in such securities as are permitted by law in case of stock companies, with the Commissioner of Insurance, under the conditions named in this act; the same to be held as security for the payment of all losses and other policy liabilities of such companies." Premium notes shall be liens upon properties insured. Provision is made for county mutual associations, and for the reorganization of mutual companies as stock companies with \$50,000 or more of capital. Mutual company, other than domestic, must have \$200,000 assets beyond all liabilities.

PRELIMINARY DOCUMENTS—Company must file a certified copy of its charter and a statement showing the condition of the company December 31 preceding; also copies of all policies used in the State; also an acceptance of the reinsurance law. Foreign companies must file certified copy of charter; copies of all policies, power of attorney, acceptance of reinsurance law. Certificate of paid-up capital (from home State) and report of last examination. It is held to be illegal for licensed companies to transact business under any but their proper names. Certified copy of charter must also be filed with Secretary of State, upon entering the State, a statement of assets invested or employed in the State, a designation of an attorney in the State, and a certified copy of the law under which the company operates in its home State.

PUBLICATION—Synopsis of statement must be published at least four times in a Denver newspaper of general circulation within thirty days after certificate of authority is issued, and a copy of paper filed with the Commissioner of Insurance. (Sec. 24.) No domestic company can publish the capital without stating the paid up capital.

RECIPROCAL LAW—Ins. Code, Section 77. "Whenever, by the laws of any other State or country, any taxes, fines, penalties, licenses or fees in addition to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents doing business in this State, are imposed on insurance companies of this State and their agents doing

business in such other State or country, or whenever any conditions precedent to the right to do business in such other State or country are imposed by the laws thereof beyond those imposed upon such foreign companies by the laws of this State, the same taxes, fines, penalties, licenses, fees and conditions precedent shall be imposed upon every similar insurance company of such other State or country and their agents doing or applying to do business in this State, so long as such foreign laws remain in force; and upon the failure of any such foreign company to comply therewith, the Commissioner of Insurance of this State shall revoke its certificate or license to do business in this State, or shall refuse to grant such license or certificate in the first instance."

REINSURANCE—Insurance Code, Sec. 62. "(1) No foreign fire or casualty insurance company doing business in this State shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon persons or property resident, situated or located in this State; except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued and receive the full commission thereon when the premium is paid. (2) No fire or casualty insurance company shall reinsure in any manner whatsoever, the whole or any part of a risk taken by it on property or persons resident, situated or located in this State, in any other company or association not authorized to transact business in this State. No fire or casualty insurance company shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability or any part thereof assumed by it, under any form of contract of insurance, covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss. No fire or casualty insurance company shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability covering property located in this State, of any insurance company not authorized to transact business in this State." Yearly certificates of compliance required. Reinsurance must be reported. Penalty for violation, revocation of license for at least one year. The Insurance Department has ruled that every insurance contract must be countersigned by a resident agent and must be in an authorized company. Reinsurance in an "underwriters' agency" not permitted. Original insurance policy must be signed by a resident agent.

REINSURANCE RESERVE—Fifty per cent of gross unexpired premiums having less than one year to run, and pro rata on all unexpired risks having more than one year to run.

RESIDENT AGENTS—Insurance Code, Section 38. "It shall be unlawful for any foreign insurance company to make, write, place or cause

to be made, written or placed in this State any insurance policy or contract of any kind, to provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State." Penalty for violation, revocation of license for one year or more. Section 62. "(1) No foreign fire or casualty insurance company doing business in this State shall make, write, place, or cause to be made, written or placed any policy, duplicate policy or contract of insurance of any kind or character or any general or floating policy, upon persons or property resident, situated or located in this State; except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the full commission thereon when the premium is paid."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No provision. Policies used must be examined and approved by the Commissioner. See "Cancellation."

TAXES—All insurance companies engaged in the transaction of the business of insurance in the State, shall pay annually to the State Treasurer, through the Commissioner's office, on or before March 1, two per cent on the gross premiums collected or contracted for in the State during the year ending the previous 31st of December. (Deduction of returned premiums and of reinsurances in admitted companies permitted, the company taking the reinsured risks paying the tax on premiums.) Companies having 50% or more of their assets invested in State, county or municipal bonds and other property in Colorado not required to pay this tax. The two per cent tax is in lieu of all other taxes, except property taxes. Penalty for non-compliance, revocation of license until such tax is paid; also \$25 per day for each day's delinquency. (Ins. Code, Sec. 16.)

TAX STATEMENTS—Must be filed on or before March 1.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None, except on real estate.

MUNICIPAL TAXES AND FEES.

None, except on real estate.

CONNECTICUT.*

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 3620. “* * * any person who shall in any manner aid in transacting the business of an insurance company.”

AGENTS' LICENSES—Agents of all companies must secure, through written applications of their principals (act of 1915), certificates of authority, which expire April 1 each year. Penalty for acting without license, fine of not more than \$1000.

ANNUAL STATEMENTS—Must be filed with Insurance Commissioner annually by February 10. Penalty for wilfully making false statement, imprisonment for not more than five years. (This statement and tax statement are only ones required annually.)

ANTI-COINSURANCE—No law.

ANTI-COMPACT—No law.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Insurance Commissioner must be empowered to accept service of legal process.

CANCELLATION—Sec. 3526. “No insurance company or association shall cancel a policy issued against loss by fire on property in this State without giving the party insured at least five days' notice, in writing, of such intention, and returning the ratable proportion of the premium for the unexpired term of the policy.”

CAPITAL REQUIRED—A stock fire insurance company must possess a paid-up capital of at least \$200,000. Mutual companies must possess \$150,000 in cash or available securities.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Foreign companies must have at least \$200,000 invested in securities authorized by law for investments of savings banks, deposited with the proper officers of Connecticut, or of some other State.

DOMESTIC COMPANIES—Sec. 3623. “Every insurance company or association incorporated or organized in this State shall before issuing a policy or making a contract of insurance, file with the Insurance Commissioner a certified copy of its charter or articles of association and a statement verified by the oath of its president and secretary, showing that said company is duly organized.” Sec. 3624. “Upon receiving such statement the Insurance Commissioner shall examine such company or association, and, if he finds that it has complied with the terms of its charter or articles of association and the laws of the State, shall issue a certificate authorizing such company or association to issue policies and make contracts of insurance.” Under the law, fire insurance companies may write hail and wind storm insurance.

EXAMINATIONS—Chap. 125, Ins. Laws of 1913, provide that the Insurance

* Sectional references are to General Statutes, Revision of 1902, unless otherwise specified.

Commissioner, either personally or through his appointees, may at any time examine into the affairs of any fire or fire and marine insurance company in this State; and he shall, at least once in five years, visit each fire insurance company incorporated by this State, thoroughly examine its financial condition, and ascertain whether it has complied with all of the provisions of the law. Books must be shown and officers and agents must answer under oath all questions regarding affairs of the company. Investigation results may be published. In relation to companies incorporated under the laws of other States, the Commissioner may accept the certificate of the Insurance Commissioner of such State regarding its condition. Sec. 3491. "If any such company, * * * shall fail within ten days to obey any such order of the Commissioner, he may apply to a court or judge having jurisdiction for an injunction, or for the appointment of a receiver, or for both. * * *" The Commissioner is authorized to examine, or cause to be examined, at any time, any company doing business in the State. Provision is made for the liquidation of delinquent domestic companies by the Insurance Commissioner.

FEES—Issuing license, companies other than those of foreign countries, \$10; issuing license, foreign companies, \$50; filing statement, foreign companies, \$20; filing statement, companies other than those of foreign countries, \$10; filing charter, domestic companies, preliminary to commencing business, \$10; filing charter other State companies, reciprocal; filing charter, foreign companies, \$30; filing any additional paper, 25 cents; certificate of condition, \$10; certificate of authority, \$5; agents' certificates, other State companies, reciprocal; agents of companies of foreign countries, \$2 each (for corporation acting as agent, \$4); license to deal with unauthorized companies, \$20; broker's license, \$10. (The last two fees may be prorated.) Fees payable to Insurance Commissioner. The expenses of any examination or inquiry made without the State shall be borne by the company examined.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—Law provides for investigation of fires by State police.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required, except that when seeking admission to the State, a copy of the last annual report is required.

GENERAL PENALTIES—Sec. 3635. "Every person or corporation violating any provision of the preceding sections of this title for which no penalty is provided shall be fined not more than \$500." Sec. 3636. "Every person who shall violate any law of this State relating to insurance companies organized under the laws of other States or foreign governments shall be fined not more than \$500 where no other penalty is provided." (Sec. 3619). For making false representations in advertisements, first offense, a fine of \$500; later offenses, a fine of \$1000 each.

IMPAIRMENT—Impairment exceeding twenty-five per cent of capital must be made up within a reasonable time, or injunction proceedings must be

begun. Provision is made for the liquidation of delinquent domestic companies by the Insurance Commissioner.

INVESTMENTS PRESCRIBED—None.

LICENSED BROKERS—Part of Sec. 3626. "The Insurance Commissioner, upon the payment of a fee of \$20, may issue a license to any person permitting the person named therein to procure policies of fire insurance on property in this State in companies or associations approved by said Commissioner, which have not complied with the laws of this State relative to such companies or associations." Sec. 3627. "No person shall act under such license until he shall have made and filed in the offices of the Insurance Commissioner an affidavit that he is unable to procure, in companies admitted to do business in the State, the amount of insurance necessary to protect the property to be insured under such license. Such person shall keep a separate account of the business done under such license, which account shall at all times be open to the inspection of the Insurance Commissioner, and shall annually, on or before the 20th of January, file in the office of the Insurance Commissioner a sworn statement, showing, first, the exact amount of insurance placed for each person, firm or corporation, under such license; second, the gross premiums charged thereon; third, in what company or companies, association or associations; fourth, the date of the policy or policies; fifth, the terms thereof." Sec. 3628. "Each person acting under such license shall pay the Insurance Commissioner of this State, annually, on or before the 30th of January, a sum equal to three per cent of the gross premiums charged for insurance procured or placed under such license." Sec. 3630. "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for a person other than himself, and not being the appointed agent or officers of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no such person shall act as such broker except as provided in sections 3631, 3632 and 3633." Sec. 3631. "The authorized agent of any company legally admitted to do business in this State may, without being deemed a broker or procuring a broker's certificate of authority, negotiate or effect contracts of insurance or reinsurance with any qualified domestic insurance company or its agents, and with the authorized agents in this State of any foreign insurance company admitted to do business in this State: provided, that such contracts shall be of the same class and character of insurance or reinsurance as those which such authorized agent legally admitted to do business in this State is allowed to effect." A broker may be licensed for \$10 per year to deal with authorized companies. According to Chap. 80, Sec. 1, laws of 1913, no company, broker or agent is allowed to pay a commission, to effect contracts of insurance in which a broker's license is required, to any person of another State not having Connecticut license. The Connecticut Ins. Dept. explains that "a person having received from the

Insurance Commissioner a certificate or license authorizing him to place risks and effect insurance or re-insurance with any qualified domestic insurance company or its agents, and with the agents in this State of any foreign insurance company duly admitted to do business in this State, must not place the insurance direct with companies of other States, but must deal with the agents of those companies residing in Connecticut." (Sec. 2.) Penalty for violation, \$500.

LIMIT ON A SINGLE RISK—Ten per cent of capital and surplus.

LLOYDS—No provision.

MISCELLANEOUS—Insurance Commissioner has supervision over corporations promoting or controlling insurance companies.

MUTUAL COMPANIES—Sec. 3508. "Any mutual fire or fire and marine or mutual marine insurance company located in any other State of the United States, possessed of \$150,000 in cash, or securities invested in available cash assets, may be admitted to take risks and transact business in this State through lawfully constituted and licensed resident agents; provided, that it shall comply with all the other requirements of the laws of this State relating to such companies of other States, and that similar companies of this State are admitted to transact business in such other State."

PRELIMINARY DOCUMENTS—Company must deposit with the Commissioner a certified copy of its charter and a verified statement showing its condition. Foreign companies must file copy of charter, duly certified; certificate of deposit; head office statement; certified copy of vote by which trustees were appointed; and certified copy of deed of trust. Certificate of compliance with laws of company's home State is not required annually.

PUBLICATION—No requirement. Any advertisement showing a company's assets must also show its liabilities on the basis allowed for its annual statement, which statement must have been verified by the Insurance Department.

RECIPROCAL LAW—Sec. 3606. "When any other State shall impose any obligation, prohibition or restriction upon insurance companies, corporations, or associations of this State, or their agents transacting business in such other State, the like obligations, prohibitions, and restrictions are hereby imposed on similar companies, corporations, and associations of such other State and their agents transacting business in this State; and such companies, corporations, and associations of other States, and their agents, shall pay all penalties to the Insurance Commissioner of this State and make deposits with the State Treasurer. Whenever it shall appear to the Insurance Commissioner that permission to transact business within any State of the United States or within any foreign country is refused to a company organized under the laws of this State after a certificate of the solvency and good management of such company has been issued to it by the said Commissioner, and after such company has complied with any reasonable laws of such State or foreign country requiring deposits of money or securities with the government of such State or coun-

try, then, and in every such case, the Commissioner may forthwith cancel the authority of every company organized under the laws of such State or foreign government and licensed to do business in this State, and may refuse a certificate of authority to every such company thereafter applying to him for authority to do business in this State, until his certificate shall have been duly recognized by the government of such State or country."

REINSURANCE—No provision concerning reinsurance in unauthorized companies.

REINSURANCE RESERVE—Fifty per cent of the gross premiums on policies running one year or less and a pro rata amount on policies running more than one year (less return premiums and reinsurance) received on risks in force not perpetual; ninety per cent of premiums on perpetual risks in force; ocean marine risks, the full amount of premium in force, except on time hull risks, which may be computed at fifty per cent of the amount of premiums received on risks in force.

RESIDENT AGENTS—Other State and foreign companies are forbidden by Secs. 3507 and 3523 to transact business in Connecticut except through lawfully constituted and licensed resident agents.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—The Connecticut standard policy form, which is the same as New York's must be used. Riders must be in type not smaller than longprimer, and must be signed by the officers or agent of the company. Penalty for violation, not more than \$200 for each offense. Policies of typewriter size may be used.

TAXES—Chap. 26, Sec. 2, Public Acts of 1913. (Foreign companies.) Resident manager shall annually, on or before March 1, pay to the Insurance Commissioner a tax of two per centum upon the gross amount of premiums, less return premiums for cancellations; and from the tax so calculated may be deducted the per centum of tax, if any, which by law is to be paid in Connecticut by the reinsuring company upon the amount of premiums (less return premiums) paid for reinsurances, but no deduction shall exceed two per cent, and reinsurances in authorized companies may be deducted. Taxation of companies of other States is governed by reciprocal provisions. Taxes of mutual companies of Connecticut: Sec. 2444, Gen. Stat., as amended, 1915. "The secretary or treasurer of every insurance company chartered by this State, and doing business in whole or in part upon the plan of mutual insurance, including every company whose policyholders have a right to participate in its profits, shall, if other than a life insurance company, on or before the 10th day of February, * * * annually render to the tax commissioner a sworn statement, showing the total amount of its assets on the preceding 31st day of December, with a detailed enumeration of such assets and the market value thereof, the amount of premium notes held by it, its ascertained and unpaid losses on that day, the assessed valuation of its real estate listed against said company in this State during

the year ending on said preceding 31st day of December, and the amount of taxes accruing thereon during said year, * * * with a statement of the balance remaining, after deducting from the total amount of assets the ascertained and unpaid losses and the market value of any bonds owned by it, which have been heretofore issued by this State, or by any town or city in this State, in aid of the construction of any railroad, and which, by the laws of the State, are exempt from taxation, and the premium notes held by it." Sec. 2445, Gen. Stat., as amended, 1915. "Every such mutual company other than a life insurance company shall, annually, pay to the State on or before the 20th day of February, as a tax upon its corporate franchise, one-fourth of one per centum upon the balance remaining." Reciprocal provision as to companies of other States. See "Tax Statements" for taxes levied upon domestic stock companies. A domestic stock company (under Chap. 292, law of May 19, 1915) must pay to the Treasurer, on or before July 15, annually, a tax on its corporate franchise equal to $\frac{1}{2}$ of 1 per cent on the market value of its capital stock on October 1 preceding, after deducting amount invested in bonds issued by the State. This tax is distinct from that described under head of "Tax Statements."

TAX STATEMENTS—Must be filed with Insurance Commissioner by companies of other States and countries by January 31. A domestic company must, by October 15, annually file in the office of the Tax Commissioner, a statement under oath, showing the number of shares of its capital stock and the market value thereof on October 1, the name and residence of each stockholder, and the number of shares owned by each on said last named date, and on or before the last day of the following February must pay to the Treasurer of the State a tax of one per centum on the market value of each share of its stock, less the amount of taxes paid by such corporation upon its real estate in Connecticut during the year ending on September 30 next preceding. (Chap. 303, 1915. Sec. 2331, as amended.) Domestic mutual company must file statement with Tax Commissioner on or before January 20.

VALUED POLICY—No law.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None, except property tax.

DELAWARE.

STATE REQUIREMENTS.

AGENTS DEFINED—Chap. 23, Vol. 19, Sec. 5. “* * * Every person who shall procure or solicit any citizen or resident of this State to take out a policy of insurance in any fire insurance company or companies not incorporated by the laws of this State shall be deemed a foreign fire insurance agent * * *.”

AGENTS' LICENSES—Companies are required to secure for their agents licenses good for one year from the date thereof, and also certificates of authority, which expire February 28. Applications for licenses must be made by company officials, under seal, as appointments are made and annually thereafter before February 28. Penalty for acting for non-admitted company, \$100 to \$500, or imprisonment for not more than six months, or both. Soliciting business without a license, a fine not exceeding \$500, or imprisonment not exceeding thirty days, or both; for non-payment of tax, a fine of not over \$500, or imprisonment not longer than two years, or both, and payment of the tax.

ANNUAL STATEMENTS—Must be filed on or before February 28. (These and tax statements are only ones required annually.)

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No requirement.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Insurance Commissioner must be designated to accept service of legal process for companies domiciled outside of the State.

CANCELLATION OF POLICY—No special requirement.

CAPITAL REQUIRED—Stock companies must possess \$100,000 of capital, over and above all liabilities. Mutual companies must have net assets of at least \$100,000, and be authorized to transact business in the State wherein they are incorporated. Foreign companies must have \$100,000 of net assets.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—None required, except by operation of reciprocal law. Foreign companies must have \$100,000 net assets deposited in the United States (character not specified).

DOMESTIC COMPANIES—No special requirement. Penalty for failure to pay State tax, a fine of \$500 to \$2000, costs and revocation of charter.

EXAMINATIONS—Whenever the Insurance Commissioner may deem it for the interest of the public he may proceed to examine a company.

FEES—For filing charter, \$10; annual statement, \$10; certificate of authority to company, \$25; issuing company's certificate, \$2; copy of paper on file, 20 cents per folio; certifying same, \$1; examination of companies, actual expenses incurred; agent's certificate of authority (transferable), \$2;

agent's State license (transferable, expires one year from date of issue), \$5.50. Penalty—Failure to pay license fee, fine of not less than \$500, nor more than \$2000. Fees are payable to Insurance Commissioner. See "Publication."

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—None.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Delaware does not require the filing of a statement of the home office, except when expressly demanded by Commissioner.

GENERAL PENALTY—For violation of the insurance law, a fine not exceeding \$1000.

IMPAIRMENT—Chap. 99, Sec. 4. " * * * If at any time the Insurance Commissioner shall find the capital stock of any company doing business in this State impaired to the extent of twenty per cent, he shall give notice to the company to make good its whole capital stock within sixty days, and if this is not done, he shall require the company to cease to do business within this State, and shall, thereupon, in case the company is organized under the laws of this State, immediately institute legal proceedings."

INVESTMENTS PRESCRIBED—Discretion of the Insurance Commissioner.

LICENSED BROKERS—No special requirement.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—No special provision.

MUTUAL COMPANIES—Sec. 4. "That if by the statement furnished as aforesaid, it shall appear that such company is incorporated under the laws of the State, and is a mutual company, and that agreements have been entered into by the company for insurance with at least 100 applicants, and that securities on said insurance founded on actual and bona fide applications for insurance, and amounting to not less than \$20,000, have been received; or, if it shall appear by such statement that such company, being incorporated under the laws of this State, is a stock company, and has an actual paid-in capital stock of at least \$100,000 over and above all claims and liabilities; or, if it shall appear by such statement that such company is incorporated under the laws of any other State or foreign government, or is in good condition, and has assets to the amount of \$100,000 over and above all liabilities and claims, then the Insurance Commissioner shall issue a certificate authorizing said company to transact the business of insurance and establish agencies in this State."

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a certified copy of its charter and a verified statement showing its condition. Foreign companies must file in the office of Insurance Commissioner a certified copy of charter and a power of attorney to accept service of process and name agents in the State; sworn statement of assets and liabilities; home office statements not required. Penalty for operating without filing above (a misdemeanor), fine of from \$200 to \$500. Commissioner may revoke a company's license at his discretion.

PUBLICATION—Abstract of statement must be published once a week for three weeks in at least two newspapers in the State, on or before July 1. Expense to be borne by companies (estimated \$3).

RECIPROCAL LAW—Chap. 179, Vol. 14, Sec. 1. "That whenever the existing or future laws of any other State of the United States shall require of insurance companies incorporated by this State and having agencies in such other State, or of the agents thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, or any payment for taxes, penalties, certificates of authority, license fees, or otherwise, greater than the amounts required for such purposes from similar companies of other States by the then existing laws of this State, then, and in every such case, all companies of such States establishing, or having heretofore established, an agency or agencies in this State, shall be and are hereby required to make the same deposit, for a like purpose, with the Treasurer of the State of Delaware, and to pay said Treasurer for taxes, fines, penalties, certificates of authority, license fees, and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such State upon companies of this State and agents thereof."

REINSURANCE—Chap. 99, Vol. 22, Sec. 12. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State, in any other company or association not authorized to transact business in this State, except upon the written consent of the Insurance Commissioner. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability, or any part thereof, assumed by it under any form or contract of insurance covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss by one or more fires (except upon the written consent of the Insurance Commissioner). No fire insurance company or association shall reinsure or assume, as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State (except upon the written consent of the Insurance Commissioner)." All reinsurances must be reported annually (or oftener if required). Credit is allowed for reinsurances in authorized companies. See "Resident Agents." Penalty for each violation, \$500.

REINSURANCE RESERVE—No requirement.

RESIDENT AGENTS—Chap. 99, Vol. 22, Sec. 11. "That no fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy upon

property situated or located in this State, except after the said risk has been approved in writing by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State; and that no person, other than the owner, shall pay or forward any premiums, applications for insurance, or in any manner secure, help or aid in placing of any fire insurance, or effect any contract of insurance upon real or personal property within this State, directly or indirectly, with any insurance company or association not of this State, or which has not been authorized to do business in this State, unless such person or persons shall first secure a license from the Insurance Commissioner of this State, as now provided by law. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State, from issuing policies at its principal or department offices, covering property in this State; provided, that such policies are issued upon applications procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall countersign all policies so issued and receive the commission thereon when paid; provided, that no part of this section is intended to, or shall apply to, direct insurance covering the rolling stock of railroad corporations, or property in transit, while in the possession and custody of railroad corporations or other common carriers, nor to the property of such common carriers, used or employed by them in their business as common carriers of freight, merchandise of passengers." The Insurance Department rules that "where a policy of fire insurance covering property located within the State of Delaware has been originally countersigned by a resident agent, it is not necessary that a policy or reinsurance affecting that risk be countersigned by a Delaware agent."

SEMI-ANNUAL STATEMENTS—No requirement.

STANDARD POLICY—No standard form. A ruling of the Insurance Department permits stock companies to use the typewriter form of the New York Standard Policy.

TAXES—Chap. 23, Vol. 19, Sec. 3. " * * * And every insurance company, firm or corporation, doing any other (than life) business within the State, shall, on the 1st day of February of each year, pay to the Insurance Commissioner, for the use of the State, one and one-half per centum on the gross amount of premiums received and assessments collected by any such insurance company, firm or corporation, or authorized agent for the year immediately next preceding the date herein provided for such payment." Delaware companies must pay a tax of \$100 annually on first Tuesday in July. The Delaware State Grange Mutual Fire Company is exempt from this tax. Penalty for non-payment of tax, revocation of license. Chap. 166, Vol. 21.

Sec. 4, provides that "each insurance company, other than life, shall pay to the State Treasurer, for the use of the State, an annual license fee or franchise tax at the rate of three-fourths of one per centum upon the gross amount of its premiums so returned or ascertained;" Sec. 2 requiring a statement of total premiums received during the preceding year to be filed by the first Tuesday in January in each year. (Chap. 166, Vol. 21, applies to companies incorporated under General Corporation Law of 1899.)

Law of March 29, 1911, Sec. 1. "That where in Chapter 99, Volume 22, Laws of Delaware, and elsewhere in the laws of this State the words "gross premiums" are used in reference to premiums received by fire insurance companies on policies covering risks located within the State of Delaware the same shall be taken and held to mean all moneys collected as premiums on such policies, less return premiums paid therefrom by reason of cancellation of policies and less reinsurance premiums received from companies authorized to do business in this State and which pay to the State taxes on the original premiums."

TAX STATEMENTS—Must be filed on or before February 28. See "Taxes."

VALUED POLICY—Law of 1889, amended 1893, Sec. 1. "Whenever any policy of insurance shall be issued to insure any real property in this State against loss by fire, tornado, or lightning, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured or his assigns, the amount of the insurance stated in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages, subject to the proviso herein; and every such policy, when hereafter issued or renewed, shall have indorsed across the face of it the following: 'It is agreed between the insurer and insured that the value of the insured property is the sum of \$., and this estimate shall be binding on both parties, as to the value; provided, however, that nothing herein contained shall, in case of loss, prevent the company insuring from adjusting the loss by replacing the property destroyed; and, in case any owner shall effect any subsequent insurance upon any larger value than so agreed, all insurance, as well as that then existing, and that subsequently obtained, shall become void.'"

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

DISTRICT OF COLUMBIA.

LEGAL REQUIREMENTS.

AGENTS DEFINED—No definition.

AGENTS' LICENSES—Fee for principal agent's license which expires annually April 30, \$50† (paid by agent). Fee for license pro rated for unexpired time. Fee covers not exceeding two partners in a firm or corporation, or secretary and assistant secretary of a corporation, and a single license (fee \$50) covers all companies represented. A solicitor may be employed by any number of companies; fee to be paid by solicitor, \$5* for each company represented. Applications for licenses should be filed by company officers before March 1, annually. Industrial solicitor's license, \$2.* Penalty for acting for unlicensed company, fine not exceeding \$100, or imprisonment for ten to sixty days.

ANNUAL STATEMENTS—Annual statements must be filed on or before March 1, and published in at least one daily newspaper in the District, in March. (See "United States.")

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A resident of the District must be appointed to accept service of legal process.

CANCELLATION OF POLICY—No requirement.

CAPITAL REQUIRED—Each stock company must have at least \$100,000 paid in. Assets of all companies must equal their liabilities.

COMMISSIONS TO NON-RESIDENTS—Commission must not be paid to anyone in the District of Columbia not licensed as an agent or solicitor.

DEPOSIT—Foreign companies must have \$100,000 deposited in one of the United States or with the Supreme Court of the District of Columbia (character of assets not specified).

DOMESTIC COMPANIES—No special requirements.

EXAMINATIONS—Examinations of domestic companies permitted to be made at the discretion of the Superintendent of Insurance.

FEES—License for principal agent (payable by agent), \$50, payable in March to the Collector of Taxes. License for solicitor (payable by solicitor), \$5. For filing preliminary documents, prorated monthly at the rate of \$10 per annum from May 1, which is the anniversary date of all insurance licenses; and \$10 annually thereafter for filing annual statement and certificate of compliance for admission, on which annual license is issued (includes annual license fee). The \$10 fee and the tax on premiums (see "Taxes") are the only charges that can be applied to companies. All fees are payable to the Collector of Taxes.

FIRE DEPARTMENT TAX—None.

* License may be assigned to another solicitor of same company at an expense of 25 cents.

† License may be assigned to another agent at an expense of 25 cents.

FIRE MARSHAL—Investigation of fires is provided for.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

IMPAIRMENT—Impairment limited to twenty-five per cent, under penalty of suspension of license; and if not made good within sixty days license shall be revoked. Penalty of \$20 per day for doing business without a license.

INVESTMENTS PRESCRIBED—Capital must be invested in "property worth not less than the full amount of the capital stock required by its charter."

LICENSED BROKERS—\$50 per annum pro rated monthly from first of month in which application is made to April 30, inclusive, following.

LIMIT ON SINGLE RISK—No provision.

LLOYDS—No requirement.

MUTUAL COMPANIES—Must file qualifying documents. Exempt from taxation.

PRELIMINARY DOCUMENTS—Company must file with the Superintendent of Insurance of the District a statement showing its condition December 31 preceding. Penalty for doing business without authority, \$20 per day. Company must also file certified copy of charter or articles of incorporation (need be filed but once), and certificate of compliance annually, showing that it has complied with the laws of its own State and such other documents as Superintendent may require. Certificate of compliance must be filed annually before March 1.

PUBLICATION—Statement must be published annually in at least one daily newspaper in the District in the month of March.

RECIPROCAL LAW—None.

REINSURANCE—No prohibition of reinsurance in unauthorized companies, if transaction is made outside of the District.

REINSURANCE RESERVE—All companies are required to "maintain a reinsurance reserve fund."

RESIDENT AGENTS—No requirement.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—District has no standard policy.

TAXES—Every stock fire insurance company must pay to the Collector of Taxes a tax of one and one-half per centum on net premium receipts in the District for calendar year, before March 1 in following year.

TAX STATEMENTS—Statements of net amount of premiums received in the District must be filed in January, covering the preceding calendar year; also the payment, except by mutual fire companies, of one and one-half per cent on such premiums (before March 1), in lieu of all other taxes, except those on real estate. Penalty for non-payment, revocation of license and eight per cent per month. (See "United States.")

VALUED POLICY—No law.

714409

MUNICIPAL TAXES AND FEES.

None.

FLORIDA.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters of fire losses required to be licensed.

Fee \$10 for each company represented unless a traveling license. License expires October 1 and are one-half annual rate after April 1.

AGENTS DEFINED—A person or firm who receives or receipts for any money on account of or for any contract of insurance made by him or them, or for any such insurance company, association, firm, or individual aforesaid, or who receives or receipts for any money from other persons, to be transmitted to any such company, association, firm or individual aforesaid for a policy of insurance or any renewal thereof, although such policy of insurance is not signed by him or them as agent or representative of such company, association, firm, or individual, or who in any wise, directly or indirectly, makes or causes to be made any contract of insurance for or on account of such insurance company, association, firm or individual, shall be deemed to all intents and purposes an agent or representative of such company, association, firm or individual.

AGENTS' LICENSES—Companies must procure license for each individual agent, which expires October 1. Penalty for failure to pay license fee, a fine of not more than double the amount of tax.

ANNUAL STATEMENTS—Must be filed in the month of January. Penalty for making a false statement, a fine of \$500 to \$5000.

ANTI-COINSURANCE—No prohibition of coinsurance clauses. See "Valued Policy."

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—Sec. 29, Ins. Laws. "Each insurance company or association, firm or individual mentioned in this act doing business in this State, shall upon the first day of October after the passage of this act, and upon the first day of each succeeding October, furnish to the State Treasurer the name and address of each agent or solicitor authorized to write insurance in this State, together with the affidavit of each such agent that he has not and will not directly or indirectly divide or offer to divide his commissions, or rebate any part of any premium on any policy of insurance with any corporation, firm or individual." Law of June 1, 1915, Chap. 6849, forbids rebating or the acceptance of rebates. Violators subject to a fine of \$100 or imprisonment of from 90 days to six months.

ATTORNEY—Service of legal process upon any agent of the company in the State or upon the State Treasurer shall be binding.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Two hundred and fifty thousand dollars (\$100,000 if a domestic company, except one heretofore chartered) of assets invested in United States bonds, or other safe securities.

COMMISSIONS TO NON-RESIDENTS—Commissions must be paid to resident agents. Division of commissions with non-resident is ground for revocation of company's and agent's license.

DEPOSIT—Each company must deposit \$20,000 in cash, or in bonds of the United States, of any State, of the District of Columbia, or of any city or county of Florida; or in lieu thereof, an approved bond in the amount of \$20,000 of a surety company licensed in Florida. Foreign companies must have \$250,000 of assets invested in United States or State bonds, or other bankable interest-bearing stock issued in the United States, at their market value.

DOMESTIC COMPANIES—Sec. 2756. "The capital stock of an insurance company incorporated in this State shall not be less than \$50,000, to be divided into shares of not less than \$10 nor more than \$100 each, payable in lawful money of the United States." General requirements are same as for outside companies. Company may not sell any of its stock at more than ten per cent discount within two years after filing its charter with Secretary of State.

EXAMINATIONS—Sec. 2757. "The State Treasurer is hereby designated Insurance Commissioner; whose duty it shall be to examine into the affairs of any insurance company, association, firm or individual doing an insurance business, or applying to do such business in this State." Examinations are at companies' expense. Penalty for refusing to permit examination, revocation of license.

FEES—(Sec. 8. Chapter 5597, approved June 1, 1907; amended 1913.) Fire insurance companies pay license tax of \$200 to State Treasurer; companies failing to procure a license will be subject to \$500 fine; local agent or solicitor's tax, payable to State Treasurer, \$5 (counties, cities and towns may tax agents one-half of this amount); traveling agent or solicitor, payable to State Treasurer, \$25 (also taxed \$5 for each county, city or town in which he does business); insurance adjuster, who has not paid a license as agent or traveling agent, \$10; for each insurance rate-maker or rate agent, traveling in the State, who makes, fixes or recommends the fixing or adjustment of rates in the State, each insurance company represented by him or whose rates are affected by his services, whether any such company is operating alone or as a member of any association or combination of companies, shall pay a license tax of \$25. When licenses are issued after April 1, fees are one-half of the amounts named. State Treasurer's Fees (for filing annual statement)—Sec. 2763. "For the services required to be rendered by the provisions of this subchapter, the State Treasurer shall receive a fee of \$10, to be paid by the companies, associations, firms or individuals, for each statement made and accepted." A tax of \$2 per \$1000 of capital, but in no case to exceed \$250, must be paid to the Secretary of State, on filing a certified copy of charter; also a filing fee of \$5 for filing charter, and \$2 for amendment thereto. (These fees apply only to companies filing charters or amendments after

June 1, 1907.) Attorney of inter-insurance exchange pays \$10 on filing annual report; also license tax of \$25 for each agent authorized to write insurance in Florida, and a license tax of \$10 for each aduster doing business in Florida.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTIES—For failure of any insurance company to file its charter, a fine of not over \$1,000, or imprisonment not exceeding six months, or both; for failure to satisfy judgment, revocation of license, and company can not do business until the judgment, fees and expenses are paid; for transacting business without a license, a fine of not more than double the amount required for such license.

IMPAIRMENT—(Sec. 2758.) License may be revoked if State Treasurer deems company's condition unsound, or if its assets above its liabilities, exclusive of capital and inclusive of reserve or unearned premiums are less than the amount of its original capital or required unimpaired funds.

IMPAIRMENT—No provision.

INVESTMENTS PRESCRIBED—Each outside company must have \$250,000 invested in United States or State bonds, or other bankable interest-bearing stock issued in the United States, at their market values. Domestic companies must have \$100,000 so invested, unless chartered under Florida laws prior to June 1, 1915.

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Inter-insurance exchanges are under supervision. New exchanges must cover at least seventy-five separate risks, with not less than \$1,500,000, and have on deposit with attorney not less than \$25,000. Annual statements must be filed in January. Attorneys must secure licenses from State Treasurer.

MUTUAL COMPANIES—Twenty or more persons (a majority residents of Florida), with applications for at least 200 risks and \$500,000 of insurance, and holding \$10,000 or not less than twice the maximum risk assured, may organize a mutual company; all names of such companies must contain the word "Mutual."

PRELIMINARY DOCUMENTS—Company must file with the State Treasurer a copy of its charter and a sworn statement, showing the financial condition of the company. A certified copy of its charter must be filed with the Secretary of State, and a fee of \$2 per \$1000 of capital be paid to him, plus a filing fee of \$5. Charter amendments must also be filed and fees of \$2 per \$1000 paid on increases of capital.

PUBLICATION—Sec. 2762. "The State Treasurer * * * shall annually in the month of March publish, in some newspaper published at the capital, a list of all insurance companies, associations, firms or individuals

authorized to do business in this State, showing in tabular form the assets, liabilities and other essential data and information regarding the statement made and accepted." (See under "Fees," Sec. 2763).

RECIPROCAL LAW—None.

REINSURANCE—Law of 1903. Provides, "That no fire insurance company or association authorized to transact business in this State shall reinsure or enter into any contract to indemnify any fire insurance company or association not authorized to transact business in this State against loss by fire to property located in this State."

REINSURANCE RESERVE—No requirement. Inter-insurance exchanges must maintain reserves equal to fifty per cent of net annual deposits, and at least \$25,000.

RESIDENT AGENTS—Law of 1903, provides that all policies issued against loss by fire to property located in the State by any fire insurance company or association authorized to transact business in the State shall be issued and countersigned by a local agent who is a resident in the State, regularly commissioned and licensed to transact a fire insurance business therein, and such local agent shall receive on each policy the full and usual commission allowed and paid by such company or association to its agents on business written or done by them. This section does not apply to policies of reinsurance issued to another licensed company, nor to policies of insurance on the rolling stock of railroad companies doing a general freight and passenger business. Companies must not request nor permit division of commissions, nor employ an agent who has divided or offered to divide commissions with a non-resident. Penalty for violation, revocation of license for at least one year. Companies are required to file with the State Treasurer yearly, on October 1, a list of all their agents and solicitors in the State.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None required.

TAXES—Fire companies must pay to the State Treasurer on January 31 a tax of two per cent on gross premiums received from policyholders in the State. Penalty for non-payment by March 1, revocation of license.

TAX STATEMENTS—Must be filed in January. (Included in Annual Statement.)

VALUED POLICY—Chap. 4677, Laws of 1899, Sec. 1. "From and after the passage of this act, any individual, firm, corporation or association, insuring any building or structure in this State against loss or damage by fire or lightning, shall cause such building or structure to be examined by an agent of the insurer, and full description thereof to be made, and the insurable value thereof to be fixed by such agent and written in the policy; in the absence of any change increasing the risk without the consent of the insurers, in case of total loss the whole amount mentioned in the policy upon which the insurers receive a premium shall be paid, and in case of partial loss, the full amount of the partial loss shall be paid, but in no case shall

the insurer be required to pay more than the amount upon which a premium is paid." Chap. 5458, Laws of 1905, Sec. 1. "That in the event of a total loss or destruction of any personal property on which the amount of the appraised or agreed loss shall be less than the total amount insured thereon, the insuring company or companies shall return to the insured the unearned premium for the excess of insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss shall be paid, and the said unearned premium shall be a just and legal claim against the said insurance company or companies."

COUNTY TAXES AND FEES.

- ALACHUA—For each company, \$2.75; for each agent, \$2.75; payable October 1.
- BRADFORD—For each agent, \$2.50, payable October 1.
- BREVARD—For each company, \$2.50, payable October 1.
- CLAY—For each company or agent, \$2.75, payable October 1.
- COLUMBIA—For each company, \$2.75, payable October 1.
- DADE—For each traveling agent, \$5, payable October 1.
- DE SOTO—For each company, \$5.
- DUVAL—For each agent for each company, \$2.75, payable October 1.
- FRANKLIN—For each local agent, \$2.75; for each traveling agent, \$5.25.
- GADSDEN—For each company, \$2.75, payable October 1.
- HILLSBORO—For each agent and each company, \$2.75, payable October 1.
- JACKSON—For each local agent, \$2.75; for each traveling agent, \$5.25; payable October 1.
- LAKE—For each company, \$2.75, payable October 1.
- LEE—For each agent, \$2.50, payable October 1.
- LEON—For each company, \$2.75, payable October 1.
- MADISON—For each company, \$2.75, payable October 1.
- MANATEE—For each agent, \$2.75, payable October 1.
- MARION—For each agent (each member of a firm), \$2.75, payable October 1.
- MONROE—For each agent, \$2.75; for each company, \$2.75, payable October 1.
- NASSAU—For each company, \$5; per agent, \$2.50, payable October 1.
- ORANGE—For each company, \$5.50; for each agent, \$2.50; payable October 1.
- OSCEOLA—For each company, \$2.50, payable October 1.
- PALM BEACH—For each company, \$2.75.
- PINELLAS—For each agent, \$5, payable October 1.
- POLK—For each company, \$5.25, payable October 1.
- PUTNAM—For each agent, \$2.75, payable October 1; license for two members of firm, \$5.25.
- ST. JOHN—For each company, \$2.75.
- ST. LUCIA—For each company, \$2.75, payable October 1.
- SEMINOLE—For each agent, \$7.50, payable October 1.
- TAYLOR—For each agent, \$2.50, payable October 1.
- VOLUSIA—For each agent, \$2.75, payable October 1.

MUNICIPAL TAXES AND FEES.

- APALACHICOLA—For each agent, \$2.75, payable October 1.
ARCADIA—For each company, \$2.75, payable October 1.
BARTOW—For each company, \$2.75, payable October 1.
BRANDENTOWN—For each company, \$2.75, payable October 1.
BROOKSVILLE—For each agent, \$2.50, payable October 1.
CALLAHAN—For each company, \$2.75.
CLEARWATER—For each company, \$1.75; for each agent, \$1.75; payable October 1.
DADE CITY—For each company, \$2.75, payable October 1.
DAYTONA—For each agent, \$10, payable October 1.
DAYTONA BEACH—For each company, \$5.50.
DE FUNIACK SPRINGS—For each company, \$2.75, payable October 1.
DELAND—For each company, \$2.50 for each agent, payable October 1.
FERNANDINA—For each company, \$10.25; for each agent, \$5.25, payable October 1.
FORT LANDERDALE—For each company, \$2.75.
FORT MEADE—For each company, \$2.75, payable January 1.
FORT MYERS—For each company, \$2.75, payable October 1.
FORT PIERCE—For each company, \$2.75, payable October 1.
GAINESVILLE—For each agent, \$2.75, payable October 1.
GREEN COVE SPRINGS—For each agent, \$5.50, payable October 1.
GULFPORT—For each company, \$2.75.
HAINES CITY—For each company, \$2.50.
HIGH SPRINGS—For each agent, \$2.75, payable October 1.
JACKSONVILLE—For each company, \$100; for each agent, \$100, payable annually.
JASPER—For each company, \$3.25, payable October 1.
KEY WEST—For each company, \$5; for each agent, \$5, payable October 1.
KISSIMMEE—For each company, \$5.50, payable October 1.
LAKE CITY—For each company, \$2.65, payable October 1.
LAKELAND—For each company, \$5.25, payable October 1.
LEESBURG—For each company, \$2.75 for each agent, payable October 1.
LIVE OAK—For each company, \$2.75.
MADISON—For each company, \$5.50, payable October 1.
MARIANNA—For each agent, \$2.75, payable October 1.
MIAMI—For each company, \$5, payable October 1.
MONTICELLO—For each company, \$5.50.
NEW SMYRNA—For each company, \$5.25.
OCALA—For each company, \$5, payable March 1.
ORLANDO—For each company, \$12.50; for each agent, \$2.50, payable January 1.
PALATKA—For each agent, \$2.50, payable October 1.
PENSACOLA—For each fire company, \$50.25; for each agent, \$5.25, payable October 1.

PERRY—For each agent, \$10.25, payable October 1.

PLANT CITY—For each agent, \$5.25, payable October 1.

PUNTA GORDA—For each company, \$2.75, payable October 1...

QUINCY—For each agent, \$2.75; for each company, \$2.75, payable October 1.

ST. AUGUSTINE—For each agent, \$20, payable October 1.

ST. LUCIE—For each agent (each member of a firm), \$2.75, payable October 1.

ST. PETERSBURG—For each company, \$2.50, payable November 1.

SANFORD—For each agent, \$2.75; for each company, \$2.75, payable October 1.

SARASOTA—For each company, \$2.75.

STARKE—For each company, \$2.75, payable October 1.

STUART—For each company, \$2.75.

TALLAHASSEE—For each agent, \$2.75; for each company, \$2.75, payable October 1.

TAMPA—For each company, \$75, payable October 1.

TARPON SPRINGS—For each resident agent, \$25.05, for each non-resident agent, \$50.25, payable October 1.

TITUSVILLE—For each company, \$2.75, payable October 1.

WEST PALM BEACH—For each agent, \$2.75 (each member of a firm), payable October 1.

GEORGIA.

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 9. "That any person who solicits in behalf of any insurance company, or agent of the same, incorporated by the laws of this or any other State, or foreign government, or who takes or transmits, other than for himself, any application for insurance, or any policy of insurance to or from such company or agent of the same, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine, inspect any risk at any time, or receive or collect or transmit any premiums of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in the making or consummating of any contract of insurance for or with any insurance company other than for himself * * * shall be held to be the agent of the company for which the act is done or the risk is taken." Penalties for acting as agent, without a license, a sum equal to the State, county and municipal taxes and licenses required of insurance companies, and personal liability for all contracts made; also punishable as a misdemeanor.

AGENTS' LICENSES—Agents must procure licenses, and also certificate that the company is authorized to do business in the State. All licenses to agents expire March 1. Applications for licenses must be made by officers of companies, and accompanied by certificate signed by prominent residents of Georgia, showing fitness and qualifications, under seal, by March 1, annually.

ANNUAL STATEMENTS—Must be filed with Insurance Commissioner within sixty days from January 1. Penalty for non-compliance, forfeiture of license. A certified statement for registration must be filed with the Secretary of State annually before November 1, upon form furnished by the Secretary. These statements, with the semi-annual reports to the Governor and the tax statements, are the only ones required each year.

ANTI-COINSURANCE—(Dodson Law, 1895), Sec. 1. "That from and after the passage of this act all insurance companies issuing policies on property in this State shall pay to their policyholders the full amount of loss sustained upon the property insured by them; provided, said amount of loss does not exceed the amount of insurance expressed in the policy, and that **all** stipulations in such policies to the contrary shall be null and void; provided that in cases of losses on stocks of goods and merchandise and other species of personal property changing in specifics and quantity by the usual customs of trade, only the actual value of the property at the time of loss may be recovered; provided the loss does not exceed the amount expressed in the policy."

ANTI-COMPACT LAW (approved October 21, 1891)—Sec. 1. "From and after the passage of this act it shall be unlawful for any insurance com-

pany or companies, authorized to do business in this State, or the agent or agents thereof, to make, maintain, or enter into any contract, agreement, pool, or other arrangement with any other insurance company or companies, licensed to do business in this State, or the agent or agents thereof, for the purpose thereof, or that may have tendency or effect of preventing or lessening competition in the business of insurance transacted in this State; and when it shall be made to appear to the Commissioner of Insurance that any company or companies, agent or agents, have entered into any such contract, agreement, pool, or other arrangement, thereupon said Commissioner shall revoke the license issued to such company or companies, and same shall not be reissued until the president or chief officer of such company or companies shall file an affidavit with said Commissioner, stating that all such contracts, agreements, pools, or other arrangements have been annulled and made void; provided that nothing in this act shall be so construed as to prevent any insurance company, legally authorized to transact business in this State, separately surveying, inspecting, or examining premises to be insured, by and with the consent of the owner, for the purpose of bringing about improvements in fire protection, so as to lessen the cost of insurance by reducing rates." Penalty for violation, revocation of license.

ANTI-DISCRIMINATION—Ins. Law 1912. Sec. 20. "No insurance company or insurance agent doing business in this State shall enter into any contract to rebate any insurance premium or any part thereof of any insured or other person. * * *" Special contracts, board contracts, or any other form of policy or contract whereby any discrimination is allowed, is prohibited.

ATTORNEY—A resident of the State must be appointed to accept service of legal process. Penalty for non-compliance, revocation of license.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Company must possess at least \$100,000 capital.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Sec. 4. "Be it further enacted, that all fire, marine and inland insurance companies chartered by other States or foreign governments shall be required to deposit with the Treasurer of this State bonds of the United States, or bonds of this State, which, according to the acts and resolutions of the general assembly, are valid, or bonds of any county or municipality in this State which have been validated under the laws of this State, and which amount, according to their face value, to \$10,000, which bonds shall be receipted for by the State Treasurer, and especially deposited by him in the vaults of the treasury. * * *" Penalty for failure to make good a reduction of deposit, revocation of license.

DOMESTIC COMPANIES—Act 301, Sec. 2. "Any number of persons not less than five may form a company, but before receiving a certificate of incorporation under this act shall file a petition, in writing, addressed to the Secretary of State, in which petition shall be stated the name and residence

of each of the persons desiring to form said corporation; the name of the insurance company they desire to have incorporated; the kind or kinds of insurance they propose to carry on; the amount of the proposed capital stock of the company; the number of shares of the capital stock each of the petitioners agrees to take; that they do in good faith intend to go forward without delay to raise the capital stock and organize said company; a request to be incorporated under the laws of this State; that they have given thirty days' notice of their intention to apply for said charter, by publication of said petition in the newspapers publishing the legal advertisements of the county, where the principal office of said company is to be located, once a week for four weeks before the filing of said petition." Sec. 21. "The preceding sections of this act, in so far as they are applicable, be applied to the formation of mutual or co-operative fire companies, but applicants of this class of insurance shall not be required in their petition to set out the amount of the proposed capital stock or the number of shares of the same."

EXAMINATIONS—It is the duty of the Insurance Commissioner to make examinations whenever he shall deem it expedient so to do. All expenses to be paid by company. He must investigate domestic companies at least once in five years. (Sec. 3, 1912.) Penalty for refusing to permit examination, revocation of license.

FEES—For filing certified copy of charter, or certificate of no change or amendments since last report, \$20; for examination of annual statement, \$20; for certificates of authority or license to agents, \$3 each. Sec. 2059, which imposed these fees, was in 1909 amended by the addition of the following: "Provided, however, that all fire insurance companies doing business in this State shall in lieu of such fees and charges, pay to the Insurance Commissioner one fee of \$200, and upon paying such fee and having otherwise fully complied with the provisions of this article, such fire insurance companies shall be entitled to receive from the Insurance Commissioner certificates of authority for itself and its agents to transact business in this State." Fee for assessment company not operating in more than four counties, \$25. For certificate of incorporation, domestic companies, \$100. Also (Sec. 12) every local insurance agent or firm, doing business in this State, shall pay a tax of \$10 for each county in which they shall solicit business, and every traveling, special or general agent shall pay a tax of \$50, which said agent must pay before he or they shall be authorized to act as an agent for any of their companies. (See also Publication and Examinations.) License fees are payable to the Comptroller-General Fee to Secretary of State for filing certified statement for registration, \$1 for first return, and 50 cents for each subsequent annual return.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—Ins. Law 1912 provides for the appointment by the Insurance Commissioner of a "Fire Inspector," whose duty it shall be to investigate causes of fires. A tax of not more than one-tenth of one per

cent on the gross premium receipts of fire insurance companies is imposed to liquidate the expenses of the fire inspector's department.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

IMPAIRMENT—None permitted.

INVESTMENTS PRESCRIBED—Capital or minimum assets must be invested in bonds or stocks, estimated at their actual market value, or in mortgages on real estate worth double the amount loaned. See "Deposit."

LICENSED BROKERS—No provision; former statute authorizing licensing of brokers to deal with outside companies was repealed.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—No special provision.

MISCELLANEOUS—Ins. Law, 1912, provides that the promotion of new companies shall be under the supervision of the Insurance Commissioner, and that no officer, agent or other person selling stock in any insurance company shall receive, either directly or indirectly, more than ten per cent of the sales of said stock. Salaried officers of companies are forbidden to participate in the commissions arising from the sale of stock. Penalty for removal, by company, of a suit to a Federal court, without consent of other party to the suit, revocation of license, which shall not be renewed in less than two years.

MUTUAL COMPANIES—The Insurance Law of 1912 provides that all mutual fire insurance companies chartered under the laws of Georgia shall, before receiving a license from the Insurance Commissioner, deposit with the State Treasurer, registered bonds of the United States or of Georgia, or of any county or municipality in Georgia, registered and validated, in the sum of \$10,000. Companies operating in not more than four counties in a division of the State and farmers' co-operative companies doing business on the assessment plan are exempt from this requirement.

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a certified copy of its charter, or act of incorporation, and a verified statement showing its financial condition on December 31 preceding. Certificate of compliance with laws of company's home State must be filed annually by March 1.

PUBLICATION—Semi-annual statements must be published in a newspaper of general circulation in the State. (Expense, about \$20 in January and \$5 in July.)

RECIPROCAL LAW—Ins. Laws, Sec. 13. "Be it further enacted, that whenever the existing laws of any other State of the United States shall require of insurance companies chartered by this State, or of the agents thereof, any deposit of securities in such State for the protection of policyholders or otherwise, or any payment or penalties, certificates of authority, license fees or otherwise, greater than the amount required for such purposes from similar companies of other States by the then existing laws of this State, then, and in every such case, all companies of such State, establishing, or

having heretofore established, an agency or agencies in this State, shall be, and are hereby, required to make the same deposit, for a like purpose, with the Insurance Commissioner of this State, and to pay to said Commissioner for penalties, certificates of authority, license fees or otherwise, an amount equal to the amount of such charges imposed by the laws of such State upon companies of this State and the agents thereof."

REINSURANCE—No prohibition of reinsurance in unlicensed companies. Reinsurance contracts of Georgia companies must be approved by Insurance Department.

REINSURANCE RESERVE—Fifty per cent of premium on all fire policies having less than one year to run, according to New York percentage table on longer risks, and entire first year's premium on marine and inland risks.

RESIDENT AGENTS—Act of December 24, 1896, Sec. 1 (as amended in 1901). "That fire insurance companies not incorporated by the laws of the State of Georgia, but legally authorized to do business in this State through regularly commissioned and licensed agents located in this State, shall not make contracts of fire insurance on property herein save through agents of such companies regularly commissioned and licensed to write policies of insurance in Georgia; provided, however, that this act shall not apply to property of railroad companies and other common carriers." Signing a blank policy to be filled out outside the State on property within the State is a misdemeanor. Affidavit of compliance required. Penalty for violation, revocation of license for twelve months.

SEMI-ANNUAL STATEMENTS—Must be made to the Governor, accompanied by a copy of the published statement, within sixty days from January and July 1. Synopsis of statement to be printed in paper of general circulation. Penalty for non-compliance, revocation of license.

STANDARD POLICY—Ins. Law of 1912 provides that each and every fire insurance company doing business in Georgia shall adopt and write a standard or uniform policy, such as may be prescribed by the Commissioner. The New York standard form is used.

TAXES—One per cent upon gross premium receipts less premiums on canceled policies, payable by July 1. No deduction for reinsurance. This does not exempt real or personal property in the State from taxation, and applies to brokers as well as to foreign and domestic companies. Penalty for non-compliance, \$500. Tax is payable to Insurance Commissioner. (All insurance companies are now exempt from the tax on capital levied by Sec. 2 of the general tax act passed in 1905.) "Every fire insurance company and life insurance company incorporated under the laws of this State and doing business on the legal reserve plan, shall be required to return for taxation all of its real estate as other real estate is returned, and all of the personal property owned by such company shall be returned as other personal property is returned for taxation, and the value of the personal property owned by it shall be ascertained in the following manner: From the total value of the assets held by the company both real and personal, shall be de-

ducted the assessed value of all the real estate owned by the company in this State; the non-taxable bonds deposited by the company with the State Treasurer and the amount of the reserve or net value of its policies required by law to be held by the company for its policyholders and which belong to such policyholders; the remainder shall be the value of the personal property owned by and taxable against such company."

Provision is made for the reduction of the tax when a certain percentage of a company's assets is invested in Georgia securities.

TAX STATEMENTS—Must be filed with Insurance Commission within sixty days after May 1 for the year ending April 30.

VALUED POLICY—See Anti-Coinsurance.

COUNTY TAXES AND FEES.

Special, general and traveling agents are required to pay \$50 to the tax collector of the county of the residence of agent, which gives them the right to do business throughout the State. This tax or fee is in addition to the fee charged companies under the act of October 24, 1887. "Occupation taxes, which are imposed upon agents, are a personal tax, and are payable, under the present statute, to the tax collector of the counties in which the agents do business."

MUNICIPAL TAXES AND FEES.

ABBEVILLE—For each agent or company, \$10.

ACWORTH—For each company, \$5, payable January 1.

ADEL—For each agent, \$12.50; for each company, \$6.25 per annum, from date of issue (subject to 20 per cent discount).

ADRIAN—For each company, \$5, payable February 1.

ALBANY—For each company writing less than \$500 of premiums, \$25; \$500 to \$1000, \$40; \$1000 to \$1500, \$50; \$1500 to \$7500 at intervals, \$20, \$30, \$40.

AMERICUS—For each company, \$30, payable January 1.

ARLINGTON—For each company, \$10, payable February 1.

ASHBURN—For each company, \$10 per annum, payable January 1.

ATHENS—For each company, \$25, payable April 1, and 1½ per cent on net premiums, payable January 1.

ATLANTA—For each company, \$50, payable July 1; for each company, one per cent on gross premiums, quarterly, January 15, April 15, July 15 and October 15. For an insurance broker, \$200 per annum and 1 per cent on gross receipts of all insurance sold in city, payable quarterly.

AUGUSTA—For each company, \$100; for each marine insurance company, \$25; for each broker or firm placing business out of the State, \$100, payable January 1; also 1¼ per cent on premiums payable quarterly; transient solicitor, \$25 per week.

AUSTELL—For each company, \$5, payable January 1.

BAINBRIDGE—For each company, \$10, payable May 1.

- BARNESVILLE—For each company, \$11, payable October 1.
BARTOW—For each company, \$5, payable when issued.
BAXLEY—For each company, \$5, payable April 1.
BLAKELY—For each company, \$10, payable January 1.
BLUE RIDGE—For each company, \$10, payable January 1.
BOSTON—For each company, \$10, payable March 1 or September 1.
BRENNEN—For each company, \$5.50, payable March 1.
BROXTON—For each company, \$5, payable February 1.
BRUNSWICK—For each company, \$25, payable January 1.
BUFORD—For each company, \$10, payable January 1.
BUENA VISTA—For each company, \$5, payable February 1.
CAIRO—For each company, \$5, payable October 1.
CALHOUN—For each company, \$5, payable January 1.
CAMILLA—For each company, \$15, payable not later than April 15.
CANTON—For each company, \$2.
CARLTON—For each agent, \$10.
CARROLLTON—For each company, \$10 per annum, payable October 1.
CARTERSVILLE—For each company, \$10, payable February 15.
CEDARTOWN—For each company, \$10, payable on beginning business.
COCHRAN—For each company, \$10, payable September 1.
COLUMBUS—For each company, for each agent appointed, \$50, payable January 1; also 2 per cent on gross premiums, payable quarterly. For each broker or firm, for each company in which he (or it) undertakes to place insurance out of the State, on property within the State, \$75. For transient insurance solicitor, \$75.
COLQUITT—For each company, \$5, payable January 1.
COMER—For each company, \$2.50, payable January 1.
COMMERCE—For each company, \$10; for each agent, \$10; payable September 1.
CONYERS—For each company, \$10.25; payable January 15.
CORDELE—For each company, \$20, payable January 1.
CORNELIA—For each company, \$5, payable January 1.
COVINGTON—For each company, \$11; for each agent, \$6, payable January 1.
CRAWFORDSVILLE—For each company, \$2.50, payable September 1.
CUTHBERT—For each company, \$16, payable January 1.
DALTON—For each company, \$15.
DARIEN—For each company, \$15, payable January 1.
DAWSON—For each company, \$11, payable January 15.
DOUGLAS—For each company, \$10, payable March 1.
DUBLIN—For each company, \$10, payable January 1.
EASTMAN—For each company, \$10.
EATONTON—For each company, \$10, payable September 1.
EDISON—For each company, \$10, payable January 1.
ELBERTON—For each company, \$10, payable February 1.
ELLAVILLE—For each company, \$5.50, payable January 1.

- FAYETTEVILLE—For each agent, \$5, payable August 1.
FITZGERALD—For each company, \$15, payable by February 1.
FORT GAINES—For each company, \$11, payable May 1.
FORT VALLEY—For each company, \$10, payable April 1.
FORSYTH—For each company, \$10, payable May 1.
GAINESVILLE—For each company, \$10, payable January 1.
GRANTVILLE—For each company, \$2.50, payable January 1.
GREENSBORO—For each company, \$2.50, payable January 1.
GRIFFIN—For each company (for any number of canvassers), \$20; for each agent, \$5, payable January 1.
HAMPTON—For each agent, \$5, payable January 10.
HARTWELL—For each company, \$5, payable May 1.
HAWKINSVILLE—For each company, \$10, payable on date of commencing business.
HAZELHURST—For each company, \$5, payable January 1.
HOGANSVILLE—For each company, \$10, payable February 1.
JACKSON—For each company, \$10; for each agent, \$5, payable February 15.
JEFFERSON—For each company, \$5, payable January 1.
JESUP—For each company, \$5 per annum, payable annually.
JONESBORO—For each company, \$10, payable January 1.
LA GRANGE—For each company, \$10, payable January 1.
LITHONIA—For each agent, \$10, payable annually.
LOUISVILLE—For each company, \$5, payable September 1.
LUMPKIN—For each company, \$5, payable on commencing business.
MACON—For each company, \$75, payable on commencing business; also 1¼ per cent tax on gross premiums, payable quarterly, March 1, June 1, September 1 and December 1.
MADISON—For each company, \$10, payable January 1.
MARIETTA—For each company, \$15, payable February 1.
MARSHALLVILLE—For each company, \$5, payable January 1.
McDONOUGH—For each company, \$5, payable April 1.
McRAE—For each company, \$5, payable January 1.
MEIGS—For each agent, \$10, payable February 1.
MILLEDGEVILLE—For each company, \$10, payable January 1; also two and one-half per cent on premiums, payable monthly on first of month.
MILLEN—For each company, \$5, payable February 1.
MOLENA—For each company, \$5, payable February 1.
MONROE—For each agent, \$11, payable when issued.
MONTEZUMA—For each company, \$10, payable January 1.
MONTICELLO—For each company, \$10, payable February 10.
MORGAN—For each agent, \$10, payable annually.
MORGAN CITY—For each company, \$5, payable January 1.
MOULTRIE—For each company, \$15, payable October 1.
NASHVILLE—For each company, \$5, payable January 1.
NEWNAN—For each company, \$10 per annum, payable January 1.

- OCILLA—For each company, \$10, payable February 1.
- OGLETHORPE—For each company, \$5.
- PALMETTO—For each company, \$10.25, payable March 1.
- PAVO—For each company, \$5.
- PELHAM—For each company, \$5, payable when issued.
- PERRY—For each company, \$5, payable November 1.
- QUITMAN—For each company, \$10, payable August 1.
- REYNOLDS—For each company, \$5, payable January 1 each year.
- RICHLAND—For each company, \$5, payable January 1.
- ROCHELLE—For each company, \$5, payable January 1.
- ROCKMART—For each company, \$5, payable April 1.
- ROME—For each company, \$25; also 2 per cent on all premiums, payable April 1.
- ROYSTON—For each company, \$10, payable January 1 each year.
- RUTLEDGE—For each company, \$5.
- SANDERSVILLE—For each company, \$10.00, payable January 1.
- SASSER—For each company, \$10, payable May 1.
- SAVANNAH—For each fire or marine company or for each agent or broker thereof, \$200 (less 10 per cent). An agent or broker must pay \$200 for each company which he represents or to which he sends business, unless the tax is paid by the company itself. This includes brokers operating under the State law of December 24, 1894, authorizing them to deal with unlicensed companies. Every average or insurance adjuster for companies for which he is not the local insurance agent, \$50.
- SENOIA—For each company, \$5, payable January 10.
- SEVILLE—For each company, \$5, payable from beginning business.
- SHELLMAN—For each company, \$10, payable March 1.
- SOCIAL CIRCLE—For each company, \$10, payable January 1.
- SPARKS—For each company, \$5, payable January 1.
- SPARTA—For each company, \$10, payable January 1.
- STATESBORO—For each company, \$5, payable December 1.
- STONE MOUNTAIN—For each agent, \$10, payable March 1.
- SWAINSBORO—For each company, \$5.
- SYLVANIA—For each agent, \$10, payable June 15.
- SYLVESTER—For each company, \$10, payable January 20.
- TALLAPOOSA—For each company, \$10, payable January 1.
- TALBOTTON—For each company, \$2.50, payable April 1.
- TENNILLE—For each company, \$10, payable February 3.
- THOMASTON—For each company, \$10; for each agent, \$5, payable May 1.
- THOMASVILLE—For each company, \$25, payable March 1.
- THOMSON—For each company, \$15, payable March 1.
- TIFTON—For each company, \$10; for each agency, \$10, payable February 1.
- TOCCOA—For each company, \$5.75, payable May 10.
- UNADILLA—For each company, \$10, payable August 1.
- UNION POINT—For each company, \$2.50, payable January 1.

VALDOSTA—For each company, \$25, payable June 1.

VIDALIA—For each company, \$5, payable by February 1.

VIENNA—For each company, \$10, payable annually.

VILLA RICA—For each agent, \$5, payable February 1.

WARRENTON—For each company, \$10, payable March 1.

WASHINGTON—For each agency, \$10, payable February 1.

WAYCROSS—For each company, \$25, payable annually.

WAYNESBORO—For each company, \$10, payable October 1.

WEST POINT—For each company, \$10, payable January 1.

WILLACOACHEE—For each company, \$10, payable March 1.

WINDER—For each company, \$10, payable January 1.

HAWAII.

AGENTS DEFINED—Any person who negotiates for or places risks for any insurance company or in any way or manner aids in effecting insurance, is construed as being an agent for such company.

AGENTS' LICENSES—Agents must procure licenses, which expire on the fifteenth day of April thereafter. Licenses renewed on presentation of previous year's license. Penalty for soliciting insurance without a license, a fine of \$500 for the first offense, and an additional fine of \$100 for each month during which such offense shall continue. Corporation or firm may act as agent.

ANNUAL STATEMENTS—Must be filed on or before the fifteenth day of April, showing the total business done in the Territory during the year ending December 31, next preceding, also a statement showing the company's condition as of December 31. Domestic corporations must also file corporation reports annually.

ANTI-COINSURANCE—No prohibition of coinsurance clauses.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A resident of the Territory must be authorized to accept service of process, and in event of his disqualification, service may be had upon the Insurance Commissioner.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—Company must possess a paid-up and unimpaired capital or net surplus of not less than \$100,000.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Chap. 186, Law of 1915. "Every corporation or incorporated company formed or organized under the laws of any State of the United States or of any foreign State or country, which shall undertake to do or carry on any business in this Territory shall file in the office of the Treasurer of the Territory: 5. A good and sufficient bond or bonds with one or more sureties to be approved by the Treasurer of the Territory of Hawaii, and running to said Treasurer and his successors in office, in a sum or sums to be fixed by the Treasurer in his sound discretion, but in the aggregate sum of not less than one thousand dollars (\$1000), nor more than ten per cent of the capital stock of said corporation or company if its capital stock shall exceed the sum of ten thousand dollars (\$10,000), but in no case, however, shall such bond exceed the sum of fifty thousand dollars (\$50,000), with condition that the surety or sureties on such bond or bonds shall be answerable in the amount of said bond or bonds for all judgments, decrees, or orders given, made, or rendered against the principal on said bond or bonds by any of the courts of this Territory for the payment of money. Provided, however, that if in the judgment of the Treasurer of the Territory any such corporation or company shall own and hold prop-

erty within the Territory of Hawaii in value sufficient to equal the amount of any bond or bonds which said Treasurer of the Territory would otherwise require from such corporation or company as provided herein, then no bond shall be required of any such corporation or company."

DOMESTIC COMPANIES—Chap. 183, Rev. Laws, 1915, Sec. 3352. "Any company or corporation organized under the law of this Territory prior to October 1, 1903, or under the provisions of this chapter for the purpose of engaging in insurance, must have a subscribed capital of not less than \$100,000, of which \$50,000 must be paid in in cash before the issuance by such organization of any policy of insurance under the provisions of this chapter."

EXAMINATIONS—Chap. 183, Rev. Laws, 1915, Sec. 3356, provides for the Insurance Commissioner to make a detailed examination of all companies or corporations organized under the laws of Hawaii, at least once a year. (See "Miscellaneous.")

FEES—Chap. 183, Rev. Laws, 1915, Sec. 3360. "The Commissioner shall require payment in advance of the following fees: For filing articles of incorporation or certified copies of articles, by-laws, or other certificates required, \$25; for issuing certificate of authority, or renewal thereof, \$10; for filing annual statement of condition, \$10; for filing annual statement of business in Territory, \$10; for filing any other paper, \$1; for furnishing copies of papers filed, per folio, 25 cents; for certifying copies, \$1; agents' licenses for each company represented, \$2. All moneys collected under this chapter shall be paid into the treasury of the Territory as a government realization." In addition, for each certificate of authority or agent's license there is a stamp duty of 50 cents.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Sec. 3359. "Every organization foreign to this territory, its agents and officers, shall always be required to make the same statements and answer the same inquiries to the Insurance Commissioner and in case of default be subject to the same penalties and liabilities as domestic organizations doing the same kind of business, or any of the agents or officers thereof, are, or may be liable to, under the laws of this territory or the regulations of the Insurance Department."

GENERAL PENALTIES—Violation of any of the sections of the insurance laws may result in revocation of license. After revocation, license shall not be renewed until penalty of \$500 is paid.

IMPAIRMENT—Chap. 183, Rev. Laws, 1915, Sec. 3356. * * * If upon such examination, he (the Insurance Commissioner) shall find that the capital stock of such company or corporation is impaired, he shall order such impairment made good, or the capital reduced the amount of such impairment." Failure to make good or reduce the capital stock may result in revocation of license, and an application may be made by the Commis-

sioner to any judge of a court to issue an order upon said company or corporation to show cause why its charter should not be revoked and a receiver appointed to wind up its affairs. During the time that its capital is impaired 25 per cent or more, or is less than \$100,000, a company shall cease writing insurance. See "Miscellaneous."

INVESTMENTS PRESCRIBED—Capital and other funds must be invested in securities satisfactory to the Territorial Treasurer, who is *ex-officio* Insurance Commissioner.

LICENSED BROKERS—Sec. 3349. "Every person, firm or corporation who in this Territory procures, agrees to procure or assist in procuring insurance for a person, firm or corporation of this Territory, or for a foreign corporation doing business in this Territory, from any insurance company, corporation or association not licensed to do business within this Territory, shall be guilty of a misdemeanor, and, upon conviction, be punished by a fine not to exceed five hundred dollars for each offense; provided, however, that the Insurance Commissioner may issue a license to any person residing in this Territory, subject to revocation at any time, permitting the person named therein to procure policies of insurance on risks located in this Territory in insurance companies not authorized to transact business in this Territory, and for such license the Insurance Commissioner shall collect for the Territory an annual fee of \$25. Said license shall be valid until the fifteenth day of April of each year. Before the person named in such license shall procure any insurance in such companies on any such property, he shall in every case execute and file with the Insurance Commissioner an affidavit that he is unable to procure for a specified person, firm or corporation in a majority of the companies authorized to do business in the Territory the amount of insurance necessary to protect said property. * * *"

Such broker must execute a bond for \$2000 to secure faithful compliance with the law; must file on or before June 1, annually, a complete report of business transacted in the preceding calendar year, and pay a tax of four per cent on gross less return premiums, to the Insurance Commissioner. A fine of \$200 is the penalty for each refusal to disclose the true amount of premiums on insurance placed under this law. According to Sec. 3349a, Rev. Laws, 1915, persons taking out policies in unauthorized companies must file an account of same with the Insurance Commissioner, pay a tax of five per cent on the premiums and a filing fee of \$1.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—No provision.

MISCELLANEOUS—Sec. 3357. Provides that if the Insurance Commissioner has reason to believe that any insurance company or corporation organized outside of Hawaii has less than the paid-up unimpaired cash capital or net surplus required by law, he shall make such investigation or require such proof as shall be satisfactory to him concerning the financial condition of such organization. If such organization does not, within sixty days after

demand, produce such proofs, and the certificate of the insurance officer of any State having an Insurance Department, that such organization has the required capital and surplus shall be accepted as satisfactory, the Commissioner shall revoke its license, and if any agent of such insurance corporation shall solicit and agree to issue and deliver or shall issue or deliver any policy of the delinquent organization covering property in Hawaii, he shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be subject to a fine of \$10 for the first and \$50 for each subsequent offense. Chap. 183, Rev. Laws, 1915, Sec. 3362. "In the event of the total destruction of any insured building, on which the amount of the appraised or agreed loss shall be less than the total amount issued thereon, the fire insurance company or companies shall return to the insured the unearned premiums on the policies involved in the loss for the excess of insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss shall be paid."

MUTUAL COMPANIES—No special provision.

PRELIMINARY DOCUMENTS—Copy of articles of incorporation and certificate of the insurance official of its home State or country, stating the company's financial condition, and that it is authorized to operate in such State or country. No repetition of latter required, except in case of change in charter, capital stock or deposit. Penalty for soliciting insurance without having complied with the above requirements, a fine of not less than \$100, nor more than \$500. Power of attorney need be filed but once.

PUBLICATION—None required.

RECIPROCAL LAW—None.

REINSURANCE—No credit is allowed, in computing taxes on premiums, for reinsurance in unauthorized companies, nor for reinsurance in authorized companies unless placed through or with local agents.

REINSURANCE RESERVE—Fifty per cent on the amount received as premiums on all unexpired risks and policies.

RESIDENT AGENTS—Chap. 183, Rev. Laws, 1915, Sec. 3350. "No insurance company or corporation licensed to do business in this Territory shall accept any application for insurance, nor shall it write, issue or deliver any policy of insurance covering a risk located within this Territory except through a duly appointed agent of such insurance company or corporation, who is a bona fide resident, firm or corporation of this Territory, resident herein, and licensed as agent of such insurance company or corporation by the Commissioner to write and solicit insurance for such insurance company, corporation or association." This section does not apply to the acceptance of or the effecting of reinsurance. Penalty for violation, revocation of license, which shall not be renewed until such organization has paid into the Treasury of the Territory the sum of \$500 as a license fee.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No requirement.

TAXES—Sec. 3361, Rev. Laws, 1915. “* * * All such insurance companies or corporations, except life insurance companies, shall pay to the Treasurer, through the Insurance Commissioner, a tax of two per cent, on the gross premiums received from all risks located in, and from all business done within this Territory, during the year ending on the preceding 31st day of December, less return premiums, reinsurance in companies or corporations authorized to do business in this Territory when such reinsurance is placed through or with local agents; * * * which taxes, when paid, shall be in settlement of all demands of any taxes or licenses or fees of every character imposed by the laws of the Territory, excepting property taxes, and the fees set forth in Sec. 3360, for conducting said business of insurance in said Territory.” Taxes are due July 1; and any organization failing or refusing to render statement or pay tax for more than 30 days after the specified time, shall be liable to a penalty of \$25 for each day of delinquency, and its license shall be revoked until such taxes and fine, if fine is imposed, are paid.

TAX STATEMENTS—Must be filed on or before June 1.

VALUED POLICY—No provision. See “Miscellaneous.”

IDAHO.

STATE REQUIREMENTS.

AGENTS DEFINED—Law, March 14, 1911, Sec. 36. "Any person who for compensation, or otherwise, solicits insurance on behalf of any company receiving applications for insurance of any kind whatsoever, or transmitting for a person other than himself an application for a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, or in any manner aids in the transaction of the business of an insurance company incorporated in this State or out of it shall be deemed an agent within the intents and purposes of this act."

AGENTS' LICENSES—Each agent is required to obtain a license. All licenses expire annually March 31. Penalty for acting as agent without certificate of authority, fine not exceeding \$100, or imprisonment not exceeding six months, or both. Companies must apply for licenses.

ANNUAL STATEMENTS—Must be filed with Insurance Commissioner on or before March 1. These and tax statements are only ones required annually.

ANTI-COINSURANCE—No prohibition of coinsurance clauses.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—Sec. 44, Ins. Laws, provides that no insurance company, its agents or sub-agents, or any other person, shall offer to pay or allow any rebate of premium payable on a policy. And, furthermore, no person shall receive any rebate on a policy. Penalty for violation, fine of not more than \$100, or imprisonment for six months, or both.

ATTORNEY—Sec. 56, Ins. Laws, provides that the Insurance Commissioner must be appointed to accept service of legal process. Two copies of power of attorney are required. See "Preliminary Documents."

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Domestic company, \$100,000 capital paid up; foreign company, \$200,000 capital paid up. Foreign fire and marine so licensed must not transact ocean marine without having \$100,000 additional capital and \$50,000 surplus (or \$50,000 surplus, if a foreign mutual company). (Sec. 30, Ins. Laws.)

COMMISSIONS TO NON-RESIDENTS—Full commissions must be received by resident licensed agents.

DEPOSIT—No requirement, except that foreign companies are required to have \$100,000 on deposit in one of the United States. Companies from foreign countries must have a deposit of \$200,000 in this State or one of the United States. (See "Investments Prescribed.") Certificate concerning deposits must be filed annually by each company. (Sec. 26, Ins. Laws.)

DOMESTIC COMPANIES—Any number of persons may form an insurance company. They shall file a copy of the articles of incorporation with

the Insurance Commissioner, who shall commission the person named therein to open books for the subscription of stock, if found to be in accordance with law. After the capital has been paid in, the Insurance Commissioner shall examine the company, and if all legal requirements have been met, shall issue a license to commence business. The name of such company must not be the same as another corporation transacting the same class of business in the State, or so nearly alike as to be calculated to deceive.

EXAMINATIONS—The Commissioner of Insurance is authorized to examine a domestic or foreign company as often as he deems it expedient, at least once in three years; but he may accept the certificate of the Insurance Commissioner of any State who has recently examined the affairs of any foreign company as evidence of the condition of the company. Cost of examination to be paid by the company examined. License of company in unsound condition must be revoked.

FEES—To Insurance Commissioner: For annual license, \$50; for filing annual statement, \$50 (domestic mutual company, \$10); for agents' certificates (transferable), \$3 each; for filing certified copies of articles of incorporation and for each amendment thereafter, \$10; for examinations, all reasonable expenses; for filing designation of agent for service of process, \$2; for affixing seal of office and certifying any paper, \$1; for each copy of any paper on file, 20 cents a folio; for receiving service of process, \$2 (to be paid by the party requiring such service). Fees to Secretary of State upon entry, when authorized capital stock does not exceed \$100,000, \$40; when authorized capital stock exceeds \$100,000 and does not exceed \$500,000, \$60; when authorized capital stock exceeds \$500,000 and does not exceed \$1,000,000, \$100; on capital stock exceeding \$1,000,000, \$150. For filing power of attorney or legal agent, \$2.

FIRE DEPARTMENT TAX—No requirement.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

IMPAIRMENT—Ins. Laws, Sec. 61. "Any insurance company transacting business within this State whose capital stock shall become impaired to the extent of twenty-five per cent thereof shall make good such impairment within sixty days by either an assessment upon the stockholders or the reduction of its capital stock; provided that such capital stock shall in no case be less than \$100,000. * * *

INVESTMENTS PRESCRIBED—Minimum capital (or surplus of a mutual company) of both domestic and foreign companies, must be invested in bonds of the United States, or of Idaho, or in interest-paying bonds, when they are at or above par, of the State in which the company is located, or some other State, or in county, municipal or school district bonds in either or both of said States, or in notes or bonds secured by mortgages or unincumbered real estate in Idaho or the State in which the company is located,

worth fifty per cent more than the amount loaned thereon. Residue of capital may be invested in, or loaned upon bonds, stocks and mortgages, which are generally regarded as safe and conservative investments. No real estate may be owned, except for the accommodation of its business, and such as is taken in payment of or as security for loans or debts, and the latter must be sold within five years. Time may be extended by the Insurance Commissioner. Loans may be made upon real or personal property, and investments may be made in stocks, bonds or other securities, but no loan may be made on stock of the corporation. (Secs. 34 and 35, Ins. Laws.)

LICENSED BROKERS—Sec. 73, Ins. Laws, provides that all persons obtaining fire insurance in unauthorized companies must make a statement to Insurance Commissioner and pay 10 per cent of premiums paid, together with \$1 for registering each policy. \$100 fine for violation.

LIMIT ON A SINGLE RISK—For mutual companies, \$1,000, until \$300,000 of insurance in force; \$2,000, when \$300,000 to \$1,000,000 of insurance in force; \$3,000, when \$1,000,000 to \$2,000,000 of insurance in force; no limit, when \$2,000,000 or more of insurance in force, but no real property shall be insured for more than 75 per cent of its value.

LLOYDS—Sec. 132. Ins. Laws. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws." Contracts executed by an attorney in fact. Statement must be filed with Insurance Commissioner showing applications for indemnity upon at least 100 separate risks, aggregating \$1,500,000 covered by bona fide contracts. Deposit required with attorney, \$25,000. Fee of \$5 for filing certificate of authority, and a tax of 1 per cent of gross deposits received from subscribers.

MISCELLANEOUS—Misrepresentation and twisting are prohibited under penalty of misdemeanor; offender is liable to a \$100 fine or imprisonment for not more than six months, or both. Joint stock companies may issue policies of fire insurance under two titles on registering two titles and payment of an annual fee of \$100.

MUTUAL COMPANIES—Sec. 86, Ins. Laws. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of fire insurance on the mutual plan; but no such corporation shall begin to do business until a guaranty fund of at least \$25,000 has been provided and deposited in cash or in such securities as are permitted by law in case of stock companies, with the Commissioner of Insurance, under the conditions named in this act, the same to be held as security for the payment of all losses and other policy liabilities of such companies. * * * Foreign mutual fire insurance companies must possess assets of not less than \$200,000, of which not less than \$50,000 shall be net surplus. Foreign

mutual fire insurance companies pay the same fees required of all other joint stock insurance companies doing business in Idaho.

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner certified copy of by-laws and amendments, names and residences of officers and directors, power of attorney to Insurance Commissioner, a certificate of deposit (if a foreign company), a copy of last examination of the company, and a certified copy of its articles of incorporation. Insurance Commissioner shall examine a company applying for admission, or may accept a certificate from the Insurance Commissioner of any State who has recently examined the company. Certificate of compliance of home State is required annually.

PUBLICATION—Every advertisement or publication of the financial standing of a company must correspond with its last verified statement to the Commissioner. Penalty for violation, \$250 to \$500. (Sec. 67, Ins. Laws.)

RECIPROCAL LAW—None.

REINSURANCE—Company may reinsure the whole or any part of any policy obligation in any solvent and responsible insurance company, but list must be furnished Insurance Commissioner giving name of company and amount reinsured. Plans of a retiring or insolvent company for reinsuring all of its business in a non-admitted company must be first submitted to the Insurance Commissioner. (Sec. 39, Ins. Laws.)

REINSURANCE RESERVE—Fifty per cent of the premiums on risks that have less than one year to run, and pro rata on risks that have more than one year to run.

RESIDENT AGENTS—Chap. 228, Sec. 31, of Session Laws, 1911, as amended in 1913 and 1915: "It shall be unlawful for any foreign insurance company doing business in this State to make, write, place, or cause to be made, written or placed in this State, any policy, bond, duplicate policy or contract of insurance of any kind or character, or any general or floating policy upon * * * property * * * situated or located in this State unless done through an agent who is resident of this State, legally commissioned and licensed to transact insurance business herein. A resident agent shall countersign all policies so issued * * * and shall receive the full commission when the premium is paid, to the end that the State may receive the tax required by law to be paid on the premiums collected for insurance on all * * * property * * * located within this State." All insurance in this State must be transacted through licensed agents in authorized companies. Licensed agents may exchange the same classes of business with each other. Ruling of Commissioner dated November 11, 1913, follows: "Companies or agents may accept business from non-resident brokers and agents, but the business must be written by or through resident agent, who shall keep a record of it, countersign all policies, and collect the premiums in full." Penalty for violation, fine of \$500, recoverable in an action at law, and any company neglecting or refusing to pay judgment shall have its certificate of authority revoked for at least one year.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY.—Sec. 69. Ins. Laws. "On and ~~after the~~ first day of January, 1914, no fire insurance company, except county mutuals, shall issue any fire insurance policy covering on property or interest therein in this State, other than on the form known as the New York Standard, as now or may be hereafter constituted."

TAXES.—Two per centum on premiums collected, less return premiums and cancellations, payable on or before April 1. Any insurance company having more than 50 per cent of its assets invested in bonds or warrants of this State or city, or county in State, or in taxable real estate or first mortgage in this State shall pay 1 per cent only. Reinsuring companies authorized to transact business in the State may take credit for premiums received on account of reinsurance from authorized companies. Such premiums are to be reported by, and taxes paid thereon, by the present company. This is in lieu of all taxes on personal property of company, and the shares of stock or assets therein, except taxes on real property. Tax is payable to the Insurance Commissioner. Sec. 6, Ch. 97, S. L., 1913.

TAX STATEMENTS.—Must be filed on or before March 1. Penalty for failure to make statement or pay tax for more than thirty days, \$25 for each additional day, and revocation of license until payment of taxes and fine. Sec. 6, Ch. 97, S. L., 1913.

VALUED POLICY.—In the event of the destruction of any insured property on which the amount of the appraised or agreed loss shall be less than the total amount insured thereon, the company must return to the insured the premium for the extra insurance over the appraised or agreed loss, to be paid at the same time and in the same manner as the loss is paid.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

POCATELLO.—For each agent, \$3.25 per quarter.

ILLINOIS.

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 1 g. "The term agent, or agents, under this section, shall include any acknowledged agent, surveyor or broker, or any person or persons who shall in any manner aid in transacting the business of any insurance company not incorporated by the laws of one of the United States."

AGENTS' LICENSES—Agents must procure certificates of authority which expire annually January 31. Each firm or agency corporation is licensed as an individual, but when representing companies of other States the licensing is governed by reciprocal law. Penalty for placing business through an unauthorized agent, revocation of license for at least ninety days.

ANNUAL STATEMENTS—Must be filed on or before January 31. Penalty for failure to make and file statement of investment, \$500, and \$500 additional for each month company continues to do business in this State; for failure to file annual statement, \$500 and \$500 per month, as above. Penalty for making false statement, revocation of license. Penalty for advertising false statement, \$500. See "Anti-Compact," "Fire Department Tax," "Foreign Companies' Home Office Statements," "Lloyds," and "Tax Statements." Reports of experience by classes of risks (those of the Actuarial Bureau of the National Board of Fire Underwriters, excepting dwelling house classes, which are required to be segregated further according to combustible and non-combustible roof) are required annually.

ANTI-COINSURANCE—No restriction.

ANTI-COMPACT—An anti-trust law is in effect in Illinois, which is held by the Secretary of State to apply to insurance companies. (A portion of this law, permitting organizations for the maintenance or increase of wages, was declared unconstitutional by the Supreme Court of Illinois, but the remainder of the law is in force.) Anti-Trust affidavit must be filed with Secretary of State about September 1, annually.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A resident of the State must be appointed to accept service of legal process, and during any vacancy, service may be made upon the Insurance Superintendent.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Stock companies, \$100,000 paid up.

COMMISSIONS TO NON-RESIDENTS—No provision. See "Resident Agents."

DEPOSIT—Foreign companies are required to have \$200,000 in Illinois, or in some other State, invested in stocks of the United States, or of the State of Illinois, in all cases to be equal to a stock producing six per cent per annum, or in bonds and mortgages of improved, unencumbered real estate in the

State of Illinois, worth fifty per cent more than the amount loaned thereon. A law passed in 1915 allows insurance companies to voluntarily deposit not less than \$25,000 with the Superintendent of Insurance to be kept in trust by him for the protection of all policyholders.

DOMESTIC COMPANIES—Thirteen or more persons may incorporate, by filing with the Superintendent a declaration containing a copy of the proposed charter. The latter must be examined and approved, and then an examination made as to bona fide payment of capital. Notice of intention to incorporate must be published once a week for at least four weeks in a newspaper in the county in which the company is to be located.

EXAMINATIONS—Sec. 23, Laws of 1899. "It shall be the duty of the Insurance Superintendent, whenever he shall deem it expedient so to do in person, or by one or more persons, to be appointed by him for that purpose, not officers or agents of, or in any manner interested in, any insurance company doing business in this State, except as policyholders, to examine into the affairs of any insurance company incorporated in this State, or doing business by its agents in this State; and it shall be the duty of the officers or the agents of any such company doing business in this State to cause their books to be opened for the inspection of the Insurance Superintendent, or the person or persons so appointed, and otherwise to facilitate such examinations so far as it may be in their power to do, and to pay all reasonable expenses incurred therein, and for that purpose the said Insurance Superintendent, or person or persons so appointed by him, shall have the power to examine, under oath, the officers and agents of any company relative to the business of said company, and whenever said Insurance Superintendent shall deem it for the best interest of the public so to do, he shall publish the result of said investigation in one or more papers in this State." Penalty for refusing to permit examination, or to answer Superintendent's inquiries, revocation of license.

FEES—Sec. 27. "There shall be paid by every company, association, person or persons, or agent, to whom this act shall apply, the following fees: For filing the declaration or the certified copy of a charter herein required, the sum of \$30; for filing the annual statement required, \$10; for each certificate of authority to agents of companies or associations not incorporated under the laws of this State, \$2 (or more by action of reciprocal law); for each certificate of authority to agents of companies incorporated under the laws of this State, fifty cents; for every copy of paper filed in his office, the sum of twenty cents per folio, and for affixing the seal of said office to such copy and certifying the same, \$1. And in case two or more companies shall combine and effect insurance under a joint policy, each and every company shall pay the fees provided herein, the same as if each company wrote separate and distinct policies." For filing certificate of compliance, by Lloyds, \$2. Fees payable to Insurance Superintendent.

See "Reciprocal Law." Fee of \$1 is payable to Secretary of State on filing anti-trust affidavit.

FIRE DEPARTMENT TAX—Act of July 1, 1895, as amended in 1901, 1905 and 1909. Sec. 1. "All corporations, companies and associations not incorporated under the laws of this State, and which are engaged in any city, town or village organized under any general or special law of this State, in effecting fire insurance, shall pay to the treasurer of the city, town or village for the maintenance, use and benefit of the fire department thereof, a sum not exceeding two per cent of the gross receipts received by their agency in such city, town or village. * * * Cities, towns and villages are hereby empowered to prescribe by ordinance the amount of tax or license fee to be fixed, not in excess of the above rate, and at that rate such corporations, companies and associations shall pay upon the amount of all premiums which, during the year ending on every first day of July, shall have been received for any insurance effected or agreed to be effected in the city, town or village, by or with such corporation, companies or association, respectively. Every person who shall act in any city, town or village as agent or otherwise, for or on behalf of any such corporation, company or association shall, on or before the 15th day of July, of each and every year, render to the city, town or village clerk a full, true and just account, verified by his oath, of all the premiums which, during the year ending on every first day of July preceding such report, shall have been received by him, or any other person for him, in behalf of any such corporation, company or association, and shall specify in said report the amounts received for fire insurance. Such agent shall also pay to the treasurer of any such city, town or village, at the time of rendering the aforesaid report, the amount of rates fixed by the ordinance of the said cities, towns or villages, for which the companies, corporations or associations represented by them are severally chargeable by virtue of this act, and the ordinance passed in pursuance thereof. If such account be not rendered on or before the day herein designated for that purpose, or if the said rates shall remain unpaid after that day, it shall be unlawful for any corporation, company or association so in default to transact any business or insurance in any such city, town or village until the said requisition shall have been fully complied with; but this provision shall not relieve any company, corporation or association from the payment of any risk that may be taken in violation hereof." Penalty for failure to make accounting and pay tax, a fine not exceeding \$100, or imprisonment not exceeding six months, or both.

FIRE MARSHAL—There is a State Fire Marshal, whose duty it is to investigate fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—"Foreign insurance companies shall be required to make and file their annual statements and evidences on the first day of January in each year, or within thirty days thereafter, made out for the year ending on the preceding 30th

of September. The supplementary annual statements of their business and affairs in the United States, duly verified by the resident manager of such company, shall be filed in the month of January of each year, made out for the year ending the 31st day of December immediately preceding. As amended by act approved June 6, 1889, in force July 1, 1889." Home office statements are not required to be filed unless the company desires to advertise the same.

GENERAL PENALTIES—For transferring a cause to the United States Court, revocation of license, which can not be renewed for at least three years. For any violation of the insurance law not specifically provided for, \$500 for each offense.

IMPAIRMENT—Sec. 23 a, Laws of 1899. "And whenever it shall appear * * * from such examination that the assets of any company incorporated in this State are insufficient to justify the continuance in business of any such company, he may direct the officers thereof to require the stockholders (or if a mutual company, the members thereof) to pay in the amount of such deficiency within such periods as he may designate, in such requisition; or he may apply to the Circuit Court of the county in which the principal office of said company shall be located, for an order requiring them to show cause why the business of such company shall not be closed, and the court shall thereupon proceed to hear the allegations and proofs of the respective parties. * * *" Sec. 23e. "And whenever it shall appear to the said Insurance Superintendent, from the report of the person or persons appointed by him, that the affairs of any company not incorporated by the laws of this State, are in an unsound condition, he shall revoke the certificates granted in behalf of such company, and shall cause a notification thereof to be published in a newspaper of general circulation published in the city of Springfield, and mail a copy thereof to each agent of the company; and the agent or agents of such company, after such notice, shall be required to discontinue the issuing of any new policy and the renewal of any previously issued." Sec. 26 b, Laws of 1899. "Whenever it shall appear to the Insurance Superintendent, from an examination made by him in the manner prescribed by law, that the capital stock of any joint stock company, organized pursuant to law, is impaired to an amount exceeding twenty-five per cent of such capital, and he shall be of the opinion that the interest of the public will not be prejudiced by permitting such company to continue business with a reduced capital, it shall be lawful for such company, with the permission of the said Insurance Superintendent, to reduce its capital stock and the par value of the shares thereof, to such amount as the Insurance Superintendent may under his hand and official seal certify to be proper, and he, as shall in his opinion, be justified by the assets and property of such company; provided, that no part of such assets and property shall be distributed to the stockholders. * * *" Sec. 124. Foreign Companies. "And no agent shall be allowed to transact business for any such company, association or part-

nership whose capital, deposited as aforesaid, is impaired to the extent of twenty per cent thereof, while such deficiency shall continue. * * *

INVESTMENTS PRESCRIBED—Sec. 8, Act of March 11, 1869, amended June 19, 1891, and further amended in February, 1909. "That on and after July 1, 1909, any fire insurance company organized under this act or incorporated under any law of this State, for the purpose of investing its capital, surplus and other funds, or any part thereof, may purchase and hold as collateral security or otherwise, and sell and convey any bonds or public stock issued or created by the United States or by this State, or by any of the other States of the United States, or the District of Columbia, or any or either of them, or by any of the incorporated cities, counties, townships or other municipal corporation thereof, or, bonds authorized to be issued by any commission appointed by the Supreme Court of this State, or invest its said capital and surplus and other funds, or any part thereof, in bonds or notes secured by mortgages or trust deed on unincumbered real estate located within said States, or the District of Columbia, or either of them, worth at least double the sum invested or loaned; or lend on or purchase mortgage bonds of railroad companies organized under the laws of said States, or the District of Columbia, or either of them, or operated therein; or the capital stock, bonds, securities or evidences of indebtedness created by any corporation or corporations organized under the laws of the United States, or of this or of any State, except the stock of mining companies and the stock of manufacturing companies, commonly known as "industrials:" Provided, that no loan shall be made or retained on any of the above-mentioned securities except the bonds or stocks issued or created by the United States, or of this State, exceeding ninety per centum of the market value thereof: And, provided, further, that no loans shall be made by any company on its own stock. No investment or loan shall be made by any such insurance company unless the same shall first have been authorized by the board of directors, or by a committee thereof, charged with the duty of supervising such lots. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation, nor shall any such company enter into any agreement to withhold from sale any of its property, but the disposition of its property shall be at all times within the control of the board of directors. This act shall apply to all investments of the funds of domestic fire insurance companies of every kind and character." Only such real estate as may be needed for the conduct of its business may be purchased by an Illinois company; and real estate acquired under foreclosure or on account of debts must be sold within five years, unless the time limit is extended by the Superintendent of Insurance. Foreign companies' deposits in the United States must consist of stocks of the United States or of Illinois, equal to a stock producing six per cent per

annum—to be received at a rate not above par—or in bonds and mortgages on Illinois real estate worth fifty per cent more than the amount loaned thereon; or in bonds, stocks or other securities of its own country, which shall not be valued above par nor above current market value.

LICENSED SPECIAL AGENTS—Law of May 14, 1913. Provides that in consideration of the annual payment of \$200, except in counties having less than 100,000 inhabitants, in which case the fee shall not exceed \$25, the Superintendent of Insurance may issue a license revocable at any time to citizens of Illinois, permitting the party named in such license to act as agent to procure policies of fire insurance in unauthorized companies. The agent so licensed must execute an affidavit, which shall be filed in the Insurance Department within thirty days after the procuring of such insurance, to the effect that after diligent effort the agent has been unable to secure the amount of insurance required to protect the property described in such affidavit from regularly admitted companies. A separate record must be kept of all such transactions showing the amount of insurance placed, the gross premiums charged thereon, the company in which placed, the date and term of policy and the situation of the property insured; this account to be kept open at all times for the inspection of the Insurance Superintendent. Before transacting business under this license the party shall execute and deliver a bond in the penal sum of \$2,000 that the agent will faithfully comply with the above requirements and will pay to the Insurance Superintendent a sum equal to 2 per cent. upon the gross premiums received from policyholders upon all policies procured or issued by him during the preceding six months. In default of such payment the Insurance Superintendent may sue for the same in any court of record in Illinois. The Insurance Department rules that unlicensed companies writing Illinois risks through licensed brokers must file credentials and be licensed in their respective home States.

LIMIT ON A SINGLE RISK—No requirement.

LLOYDS—An act which went into effect January 1, 1912, forbids any association, partnership, individual or aggregation of individuals, not then authorized by the laws of the State, to make contracts of insurance except as provided therein. A written declaration must be filed with the Insurance Superintendent by the attorney, agent or other representative of such association, etc., stating the title under which it is proposed to do business; a verified copy of the contract by which insurance is to be effected; a verified copy of the power of attorney; the location of the office; and a power of attorney authorizing the Insurance Superintendent to accept service of legal process. Statements as to risks written, the financial standing of underwriters, etc., may be required at any time. The words "Not Incorporated" must appear upon every policy. Assets must at least equal five times the amount assumed upon a single risk. Such insurers are subject to the same fees and taxes, except as to capital stock and deposits, as are imposed upon corporations transacting similar business. For purposes of

taxation, gross receipts or premiums are construed to be the cost of the insurance to the insured, excluding portions of premiums returned to policyholders. This act does not apply to business done under the surplus line law. Attorney must annually file certificate of compliance with this law; fee, \$2. Penalty for violation of this law, fine of \$500 to \$1,000.

MISCELLANEOUS—License of a company removing a case from State to Federal court will be revoked.

MUTUAL COMPANIES—A law of 1915 provides for the operation of mutual companies on a stipulated premium basis, with contingent liability of from one to ten times the cash premiums. It also provides for unearned premium and other reserves, similar to those of stock companies.

PRELIMINARY DOCUMENTS—Insurance Law, Sec. 112. "Application for license to be filed with Insurance Superintendent—form of declaration." Sec. 1. "It shall not be lawful for any insurance company, association or partnership incorporated by, or organized under, the laws of any other State in the United States, or of any foreign government, for the purpose of insuring against loss or damage by fire, or against the risks of inland navigation or transportation, for the purpose of life insurance, or for the purpose of insuring persons against accidents, to take risks or to transact any business whatever, authorized by its charter, within this State, until it shall have complied with the following requirements, in addition to those already imposed by existing law: It shall first file with the Insurance Superintendent a written application for a license to do business in this State, duly signed by its president and secretary, with its corporate seal attached, which statement shall contain the following declaration: That it desires to transact the business of insurance in this State, that it will accept a license therefor according to the laws of this State, and that said license shall cease and terminate in case, and whenever it shall remove, or make application to remove, into any United States court any action or proceeding in any of the State courts of this State, upon any claim or cause of action arising out of any business transaction, in fact, done in this State; any permission, consent, agreement, condition or provision incorporated in any contract, mortgage, note, bond, obligation or policy of insurance, authorizing or consenting to such removal, to the contrary notwithstanding." Foreign companies must file application and appointment of attorneys to be made, in pursuance of resolutions by board of directors or managers, and signed by the president and secretary of such board, or the officer corresponding to such; to be acknowledged before United States Consul, and appointment of attorney; also, certificate of compliance, certificate of deposit, certified copy of charter or articles of association, certified to by the proper custodian of original; and duplicate of original appointment of United States trustees and United States managers, all to be acknowledged before United States Consul. Yearly certificates of compliance with laws of company's home State not required by statute.

PUBLICATION—"And the said Superintendent shall also cause its annual statements, required to be filed by this act, to be published in two newspapers of general circulation, the one printed in the city of Chicago and the other printed in the city of Springfield, not less than fifteen days." Publication fee, \$80. Companies may advertise only actual, available assets, paid-up capital, etc., as allowed by the Illinois Insurance Department. Penalty for violation, \$500 and costs; for second offense, \$1000.

RECIPROCAL LAW—Chap. 2, Sec. 29. "Whenever the existing or future laws of any State of the United States, or any other kingdom or country, shall require of insurance companies incorporated by or organized under the laws of this State, and having agencies in such other State, kingdom or country, any deposit or securities in such State, kingdom or country for the protection of policyholders, or otherwise, of any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States by then existing laws of this State, then, and in every such case, all companies of such States, established, or having heretofore established, an agency or agencies in this State, shall be and are hereby required to make the same deposit for a like purpose with the Insurance Superintendent of this State, and to pay the Insurance Superintendent for taxes, fines, penalties, certificates of authority, license fees, and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such State upon the companies of this State and the agents thereof; provided, that the payment required of such foreign companies shall in no case be less than required by this act."

REINSURANCE—"That no fire insurance company authorized to do business in this State shall reinsure, dispose of by treaty, cede, pool, divide, or in any manner or form whatsoever reduce any portion of its risk or liability, covering property located in whole or in part in this State, in or with any company, association, person or persons whether incorporated or otherwise not authorized by law to do the business of fire insurance in this State." Sec. 2. "No fire insurance company authorized to do business in this State shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located, in whole or in part, in this State, of or for any insurance company, association, person or persons, whether incorporated or not, not authorized by law to do fire insurance business in this State." Sec. 3. "No fire insurance company authorized to do business in this State shall reinsure or assume as a reinsuring company, or otherwise in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located, in whole or in part, in this State, of any insurance company, association, person or persons whether incorporated or not unless the risk or liability reinsured shall have been assumed in full accord with the provisions of the statutes of this State." Affidavit of home office officials that the law concerning reinsurances has been com-

plied with, must be filed with Superintendent of Insurance by March. Penalty for violation, forfeiture of license. Reinsurance schedules must be signed by home officials of foreign companies.

REINSURANCE RESERVE—Fifty per cent of unexpired premiums on one-year policies, pro rata on term policies.

RESIDENT AGENTS—Law of June 22, 1893: "It shall be unlawful for any insurance company, legally authorized to transact business in the State of Illinois, to write, place or cause to be written or placed, any policy or contract for indemnity for insurance upon property situated or located in the State of Illinois, except through legally authorized agents in the State of Illinois, and the writing, placing, or causing to be placed, of any such policy of insurance is hereby declared to be a violation of the law providing for the payment of taxes by foreign insurance companies doing business in the State of Illinois." Penalty for violation, revocation of license.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No requirement.

TAXES—Reciprocal law applies since gross tax law has been declared unconstitutional. See "County Taxes and Fees." One-third of net receipts of all companies are taxed locally as personal property. All stock and mutual companies, individuals, firms, corporations, associations or aggregations of underwriters writing fire insurance, are required to pay, annually in February, in addition to other taxes required by law, not exceeding one-fourth of one per cent of net premium receipts, to the Insurance Superintendent, for the maintenance of the office of fire marshal. An excess of receipts over expenses will reduce the tax the following year.

TAX STATEMENTS—As the gross tax law has been declared unconstitutional, the filing of tax statements is governed by the Law of 1869, sec. 30, quoted under "County Taxes and Fees."

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

Law of 1869, Sec. 30. "Every agent of any insurance company, incorporated by the authority of any other State or government, shall return to the proper officer of the county, town or municipality in which the agency is established, in the month of May, annually, the amount of the net receipts of such agency for the preceding year, which shall be entered on the tax list of the county, town and municipality, and subject to the same rate of taxation for all purposes—State, county, town and municipal—that other personal property is subject to at the place where located: said tax to be in lieu of all town and municipal licenses; and all laws and parts of laws inconsistent herewith are hereby repealed. Provided, that the provisions of this section shall not be construed to prohibit cities having an organized fire department from levying a tax or license fee, not exceeding two per cent, in accordance with the provisions of their respective charters, on the gross receipts of such agency, to be applied exclusively to the support of the fire department of such city. [As amended

by act approved May 31, 1879; in force July 1, 1879.]” The Supreme Court, in the case of *National Fire vs. Hamberg County Treasurer*, in April, 1905, held “net receipts” to mean “the gross receipts less operating expenses, not including fire losses, and does not mean profits.”

MUNICIPAL TAXES AND FEES.

Every city having a fire department can impose a tax of two per cent on premiums. See “Fire Department Tax.”

CHICAGO—Fire insurance patrol, one and one-fourth per cent of city premiums, and two per cent of Union Stock Yards’ premiums. Fire department, two per cent of premiums. The city levies a tax of \$25 per annum on brokers, and the term “insurance broker” is held to include “any and every person or corporation engaged for others in negotiating contracts for insurance on lives, buildings, vessels, or other property, either directly or through any other broker or through any insurance agent or with any insurance company other than an insurance company of which such person shall be an employee.” “Any person employed by a person or corporation licensed as a broker under the provisions of this chapter, who shall himself engage in the business or act in the capacity of a broker, shall, notwithstanding the fact of such employment, be amenable to all the provisions of this chapter and shall be required to take out a broker’s license.” “Any person or corporation violating any of the provisions of this chapter shall be fined not less than \$25 nor more than \$200 for each offense.”

GALENA—For each company, two per cent city tax and two per cent fire tax.

ROCKFORD—For each company, two per cent on gross premiums, payable July 15. For each agent, \$1, payable June 1.

INDIANA.

STATE REQUIREMENTS.

AGENTS DEFINED—R. S. 1894, Sec. 3457. "Any person who shall, directly or indirectly, receive or transmit money or other valuable thing to, or for, the use of such corporations, or who shall in any manner make, or cause to be made, any contract, or transact any business for, or on account of, any such foreign corporation, shall be deemed an agent of such corporation, and be subject to the provisions of this act relating to agents of foreign corporations."

AGENTS' LICENSES—Agents must procure certificates of authority expiring January 1. Supervising agents need but one. Penalty for acting for unsound or unauthorized company, a fine of not less than \$10 nor more than \$100, and imprisonment for not exceeding six months.

ANNUAL STATEMENTS—Must be filed in January. These and tax statements are only ones required. Domestic mutual companies must file by February 28.

ANTI-COINSURANCE—Law of 1901, Sec. 1. "It shall be unlawful for any fire insurance company doing business in this State to issue any policy or contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured shall be liable as coinsurer with the company issuing the policy for any part of the loss or damage which may be caused by fire or lightning to the property described in such policy, and any such clause or provision shall be null and void and of no effect, except that it may be lawful for such insurance companies to issue, and it may be optional with the assured to accept a policy or contract of insurance containing a coinsurance clause or provision when a reduction in the rate for insurance on the property described in such policy is the consideration named, and when so accepted the coinsurance clause or provision shall be binding on the assured and the company; provided, that the provisions of this act shall not apply to railroad or marine insurance."

ANTI-COMPACT—In 1910 the superior court perpetually enjoined the fire insurance companies from maintaining a combination to enforce rates.

ANTI-DISCRIMINATION—The giving or receiving of a rebate is forbidden.

ATTORNEY—The Auditor of the State must be appointed to accept service of legal process.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—"No insurance company, agent or agents of any insurance company, incorporated by any other State, shall transact any business of insurance, unless such company is possessed of at least \$200,000 of

actual capital invested in the stocks or bonds of some one or more of the States of this Union, or of the United States, or bonds of some one or more of the counties, cities or towns of the United States, at the current market value thereof at date of such statement, or in bonds or mortgages of real estate worth double the amount for which the same is mortgaged, and free from any prior incumbrance, or unless such company is possessed of assets amounting to at least \$2,000,000, and a net surplus over and above all liabilities of at least \$450,000. Upon filing such statement annually in January, certificate shall be granted, which shall be filed in the office of the clerk of the Circuit Court in the county in which agency is established."

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Foreign companies must have at least \$100,000 deposit in Indiana, or in some other State or Territory. (See "Investments Prescribed.")

DOMESTIC COMPANIES—A domestic stock company must have from \$100,000 to \$500,000 of capital stock, which must be paid in within eighteen months; but company may be licensed to begin business when one-half of the capital is paid in. Nine or more persons may form a stock company. State Auditor has supervision over promotion or holding companies.

EXAMINATIONS—"The Auditor of State shall examine or cause to be examined by some competent and disinterested person, every detail of the business of any special charter company transacting business of insurance in this State, whenever, in his judgment, such examination is required for the interest of the policyholders of such company, and, for the purpose of such examination, has power, either in person or by one or more competent and disinterested examiners by him commissioned in writing." (Acts 1899, page 221; in force March 2, 1899.) He or his appointee shall examine every company doing business in the State at least once every three years.

FEES—For examination of statements and evidence of investment, \$5; accepting service as an attorney, \$3; issuing certificate to agent, \$3 each; to clerk of circuit court for filing certificate and statement on behalf of each agent, fifty cents; examination of companies, per diem of examiners and expenses incurred; certificate of authority to incorporate, \$2; certified copy of vote appointing Auditor as attorney, \$5; for two copies of statement for publication, \$2. For filing annual statement of mutual company, \$20. Other State mutuals pay fee of \$25 for license. Other fees regulated by reciprocal provisions. Fees are payable to Auditor of State.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—Chap. 192, Laws of 1913, establishes the office of State Fire Marshal, whose duties shall be to enforce the laws of the State and the ordinances of the cities and towns in Indiana relating to fires, fire alarms and fire prevention.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTIES—For violations of the insurance law, not speci-

cally provided for, a fine of not over \$1000, or imprisonment for not exceeding thirty days, or both.

IMPAIRMENT—No special provision.

INVESTMENTS PRESCRIBED—Laws of 1905. Sec. 1. "Be it enacted by the General Assembly of the State of Indiana, That whenever any law of this State, now or hereafter enacted, regulates the admission of insurance companies of other States or countries to do business of any kind of insurance in this State and fixes the amount of capital or assets required of such insurance companies to do such business in this State, then the amount of such capital or assets so required of such companies to do such business in this State shall be invested in the bonds of some one or more of the States of the United States or of the United States or in bonds of some one or more of the counties, cities or towns of this State or some other State of the United States, which have not exceeded the limit of tax levies allowed by law, or some foreign country in which such company is authorized to do business, at the current market value thereof at the date of admission of such company to do business in this State or in first mortgage bonds or mortgages on real estate worth double the amount for which the same is mortgaged and free from prior incumbrances." Domestic companies may also invest in bonds of any county in Indiana issued for the improvement of highways.

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—Ten per cent of actual paid-in capital.

LLOYDS—No special provision.

MISCELLANEOUS—Loss claimant must file proof of loss within 60 days after loss; and if company takes exception to same, it must notify insured within 10 days after receipt thereof, specifically stating defects claimed. If company fails to object to proof of loss within 10 days after receipt, "it shall be deemed to have accepted the same as a compliance with the provisions of its policy." (Act of March 6, 1911.)

MUTUAL COMPANIES—Chap. 140, approved March 9, 1915, provides that twenty or more persons, with applications for at least 200 risks and \$500,000 insurance, and holding \$10,000 or not less than twice the maximum single risk assumed, may form a mutual company. The word "mutual" must form a part of the title. A majority of the incorporators must be residents of Indiana. Chap. 140, Laws of 1915, provides for the organization of threshermen's mutual fire and lightning insurance associations. Other State mutuals must comply with all requirements of domestic companies. Mutual companies of other States may be licensed to operate in Indiana if their financial position is as sound as required of home companies by the 1915 act. Companies transacting business prior to 1915 are not required to meet provisions of new law.

POLICY CONDITIONS—Sec. 214, Laws of 1899. "No such insurance company shall insert any condition, in any policy hereafter issued, requiring the insured to give notice forthwith, or within the period of time less than five days, of the loss of the insured property; nor shall any condition

be inserted in such policy, requiring the insured to procure the certificate of the nearest justice of the peace, Mayor, judge, clergyman, or other official or person, of such loss, or the amount of such loss; and any provision or condition contrary to the provisions of this section, or any condition in said policy inserted to avoid the provisions of this section, shall be void, and no condition or agreement not to sue for a period less than three years shall be valid." Sec. 212, Laws of 1899. "Whenever any loss shall occur of any property insured by any company authorized to take risks under this act, it shall be the duty of the agent, by whom the insurance was made, to retain in his possession all moneys belonging to such company, which may then be, or may thereafter come into, his possession, until such loss is adjusted and paid; provided, that if suit shall be commenced by the party insured, against such company, the agent may deposit in court double the amount mentioned in the policy, to abide the event of the suit, or, if the party insured shall not commence suit within ninety days after the agent shall have given written notice to such party that the loss will not be paid, the agent may thereafter pay over to persons entitled, the moneys of said company; and if any person insured by such company, meeting with a loss, shall notify any other agent of such company thereof, it shall be the duty of such agent to retain moneys as hereinbefore required of the agent."

PRELIMINARY DOCUMENTS—Company must file certified copy of its charter and verified copy of its statement. Foreign companies must file certified copy of charter and certificate of deposit.

PUBLICATION—Annual statements must be published twice in two leading daily newspapers of the State having the largest circulation. Annual expense, \$24 for each paper; \$48 for both.

RECIPROCAL LAW—R. S. 1894, Sec. 4926. "When, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits of money or securities, or other obligations or prohibitions are imposed upon insurance companies of this or other States, or their agents, greater than are required by the laws of this State, then the same obligations and prohibitions, of whatever kind, shall, in like manner for like purposes, be imposed upon all insurance companies of such States and their agents. All insurance companies of other nations, under this section, shall be held as of State where they have elected to make their deposit and established their principal agency in the United States."

REINSURANCE—It is unlawful for domestic insurance companies, when retiring from business, to place, or cause to be placed, insurance on property in the State of Indiana, in companies not authorized to do business therein; and it is held that this prohibition applies to companies not organized in the State as well, when retiring from business. Company still continuing to do business in Indiana may reinsure in any company, but the original company must pay taxes on the full amount of premiums.

REINSURANCE RESERVE—No special provision.

RESIDENT AGENTS—R. S. 1901, Sec. 4928. "That it shall be unlawful for any insurance company legally authorized to transact insurance business in the State of Indiana to write, place or cause to be written or placed any policy, or contract for indemnity for insurance upon property situated or located in the State of Indiana in or through any such legally authorized company, outside of the State of Indiana, and the writing, placing or causing to be written or placed any such policy of insurance is hereby declared to be a violation of the law providing for the payment of taxes by foreign insurance companies, doing business in the State of Indiana, as set out and provided in Sec. 8 of an act approved by the General Assembly of the State of Indiana, March 9, in the year 1873." For any violation of this law, license is subject to revocation for at least ninety days.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—None required.

TAXES—R. S. 1894, Sec. 8477. "Every insurance company not organized under the laws of this State, and doing business therein, shall in the months of January and July of each year, report to the Auditor of State, * * * the gross amounts of receipts received in the State of Indiana on account of insurance premiums for the six months last preceding, ending on the last day of December and June of each year next preceding, and shall at the time of making such report, pay into the treasury of the State the sum of \$3, on every \$100 of such receipts, less losses actually paid within the State; and any such insurance company failing or refusing for more than thirty days to render an accurate account of its premium receipts, as above provided, and pay the required tax thereon, shall forfeit one hundred dollars for each additional day such report and payment shall be delayed, to be recovered in an action in the name of the State of Indiana, on relation of the Auditor of State, in any court of competent jurisdiction, and it shall be the duty of the Auditor of State to revoke all authority of any such defaulting company to do business within this State." No credit is allowed for re-insurances. If a company pays out more money than it collects in premiums in the State, no taxes are charged. A sum not exceeding \$35,000 per annum must be paid upon a pro rata basis, semi-annually, on June 30 and December 31, to the Auditor of the State, by the fire insurance companies operating in the State. This fund shall be for the maintenance of the Fire Marshal bureau and shall be called the Fire Marshal fund. Taxes are payable to the Treasurer of the State of Indiana.

TAX STATEMENTS—Must be filed in January and July. Penalty for neglecting to file statement and pay tax within thirty days, \$100 per day for each additional day's delay.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

IOWA.

STATE REQUIREMENTS.

AGENTS DEFINED.—Sec. 1750. "The term, agent, used in the foregoing sections of this chapter, shall include any other person who shall in any manner, directly or indirectly, transact the insurance business of an insurance company complying with the laws of this State. Any officer, agent or representative of an insurance company doing business in this State who may solicit insurance, procure applications, issue policies, adjust losses or transact the business generally of such companies, shall be held to be the agent of such insurance company with authority to transact all business within the scope of his employment, anything in the application, policy, contract, by-laws or articles of incorporation of such company to the contrary notwithstanding."

AGENTS' LICENSES—Companies must procure certificates of authority for their agents. Applications for licenses should be filed by company officers, under seal, when annual statement is filed. Certificates expire annually March 1.

ANNUAL STATEMENTS—Must be filed by Jan. 31. Penalty for making false statement, first offense, \$500; second offense, \$1000. The only other annual reports are the tax statements to State and County authorities.

ANTI-COINSURANCE—Sec. 1746 of the code was amended in 1911 so as to permit the use of coinsurance clauses in policies covering individual properties valued at \$25,000 or more, except grain elevators, grain warehouses and contents.

ANTI-COMPACT—Code of Iowa, 1897, Sec. 1754. "It shall be unlawful for two or more fire insurance companies doing business in this State, or for the officers, agents or employees of such companies, to make or enter into any combination or agreement relating to the rates to be charged for insurance, the amount of commission to be allowed agents for procuring same, or the manner of transacting the fire insurance business within this State; and any such company, officer, agent or employee violating this provision shall be guilty of a misdemeanor, and on conviction thereof, shall pay a penalty of not less than \$100 nor more than \$500 for each offense, to be recovered in the name of the State, for the use of the permanent school fund." (This measure was declared valid by the Supreme Court of the United States.) It would appear to be superseded by the Rating Law, although the provisions of the latter are stated to be in addition to any laws now in force relating to or regulating such (insurance) business.

ANTI-DISCRIMINATION—Unfair discrimination is forbidden by Rating Law.

ATTORNEY—The Commissioner of Insurance must be empowered to accept service of legal process.

CANCELLATION OF POLICY—Sec. 1728. "At any time after the maturity of a premium, assessment or instalment provided for in the policy, or any note or contract for the payment thereof, or after the suspension, forfeiture

or cancellation of any policy or contract of insurance, the insured may pay to the company the customary short rates and costs of action, if one has been commenced or judgment rendered thereon, and may then, if he so elect, have his policy and all contracts or obligations connected therewith, whether in judgment or otherwise, canceled, and they and each of them thereafter shall be void; and in case of suspension, forfeiture or cancellation of any policy or contract of insurance, the assured shall not be liable for any greater amount than the short rates earned at the date of such suspension, forfeiture or cancellation and the cost herein provided. The policy may be canceled by the insurance company by giving five days' notice of such cancellation, in which event it may retain only the pro rata premium." Since the enactment of Sec. 1728 (which refers to practically all companies other than life doing business in Iowa) the Standard Policy form was adopted. This contains the following clause: "This policy shall be canceled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation either by registered letter directed to the insured at his last known address, or by personal written notice. If this policy shall be canceled as hereinbefore provided, or becomes void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy or last renewal, this company retaining the customary short rates; except that when this policy is canceled by this company by giving notice it shall retain only the pro rata premium." Sec. 1729. "The Auditor of State shall prepare and publish a table of the short rates provided for in the two preceding sections, which, when published, shall be for the guidance of all companies covered in this chapter, and the rate to be given in the notice therein provided, and no greater sum than this fixed shall be demanded or collected. A copy of said short rates shall be printed on, or attached to, each policy." The following is the table prepared and promulgated under the above law:

IOWA SHORT-RATE TABLE

Take the percentage indicated in scale opposite the number of days or months policy is to run on the premium at given rate, and the result will be the premium earned in case of cancellation. Periods exceeding 20 days, and not exceeding 25 days, to be charged at the rate of 25 days, and so on up to one year.

1 Day	2 per cent an'l prem.	12 Days	12 per cent an'l prem.
2 Days	4 " "	13 "	13 " "
3 "	5 " "	14 "	13 " "
4 "	6 " "	15 "	14 " "
5 "	7 " "	16 "	14 " "
6 "	8 " "	17 "	15 " "
7 "	9 " "	18 "	16 " "
8 "	9 " "	19 "	16 " "
9 "	10 " "	20 "	17 " "
10 "	10 " "	25 "	19 " "
11 "	11 " "	30 "	20 " "

35 Days	.....	23 per cent an'l prem.	
40 "	.....	26 "	"
45 "	.....	27 "	"
50 "	.....	28 "	"
55 "	.....	29 "	"
60 "	.....	30 "	"
65 "	.....	33 "	"
70 "	.....	36 "	"
75 "	.....	37 "	"
80 "	.....	38 "	"
85 "	.....	39 "	"
90 "	or 3 mo....	40 "	"
105 "	.....	45 "	"
120 "	or 4 mo....	50 "	"
135 "	.....	55 "	"
150 "	or 5 mo....	60 "	"
165 "	.....	65 "	"
180 "	or 6 mo....	70 "	"
195 "	.....	73 "	"
210 "	or 7 mo....	75 "	"
225 "	.....	78 "	"
240 "	or 8 mo....	80 "	"
255 "	.....	83 "	"
270 "	or 9 mo....	85 "	"
285 "	.....	88 "	"
300 "	or 10 mo...	90 "	"
315 "	.....	93 "	"
330 "	or 11 mo...	95 "	"
360 "	or 12 mo...	100 "	"

TWO YEARS.

For 2 mos. or less.....	25% term prem.	
Over 2 mos. not ex. 4...	30% term prem.	
" 4 " " 6...	40% "	
" 6 " " 8...	50% "	
" 8 " " 10...	60% "	
" 10 " " 12...	70% "	
" 12 " " 14...	75% "	
" 14 " " 16...	80% "	
" 16 " " 18...	85% "	
" 18 " " 20...	90% "	
" 20 " " 22...	95% "	
" 22 "	100% "	

THREE YEARS.

For 3 mos. or less.....	25% term prem.	
Over 3 " not ex. 6...	30% "	
" 6 " " 9...	40% "	
" 9 " " 12...	50% "	

Over 12 mos. not ex. 15...	60% term prem.	
" 15 " " 18...	70% "	
" 18 " " 21...	75% "	
" 21 " " 24...	80% "	
" 24 " " 27...	85% "	
" 27 " " 30...	90% "	
" 30 " " 33...	95% "	
" 33 "	100% "	

FOUR YEARS.

For 4 mos. or less.....	25% term prem.	
Over 4 " not ex. 8...	30% "	
" 8 " " 12...	40% "	
" 12 " " 16...	50% "	
" 16 " " 20...	60% "	
" 20 " " 24...	70% "	
" 24 " " 28...	75% "	
" 28 " " 32...	80% "	
" 32 " " 36...	85% "	
" 36 " " 40...	90% "	
" 40 " " 44...	95% "	
" 44 "	100% "	

FIVE YEARS.

For 5 mos. or less.....	25% term prem.	
Over 5 " not ex. 10...	30% "	
" 10 " " 15...	40% "	
" 15 " " 20...	50% "	
" 20 " " 25...	60% "	
" 25 " " 30...	70% "	
" 30 " " 35...	75% "	
" 35 " " 40...	80% "	
" 40 " " 45...	85% "	
" 45 " " 50...	90% "	
" 50 " " 55...	95% "	
" 55 "	100% "	

SIX YEARS.

For 6 mos. or less.....	25% term prem.	
Over 6 " not ex. 12...	30% "	
" 12 " " 18...	40% "	
" 18 " " 24...	50% "	
" 24 " " 30...	60% "	
" 30 " " 36...	70% "	
" 36 " " 42...	75% "	
" 42 " " 48...	80% "	
" 48 " " 54...	85% "	
" 54 " " 60...	90% "	
" 60 " " 66...	95% "	
" 66 "	100% "	

The foregoing Short Rate Table is printed upon the reverse side of the Standard Policy Form.

CAPITAL REQUIRED—Of stock fire companies, domestic, \$100,000; foreign, \$200,000. See "Domestic Companies."

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—None required.

DOMESTIC COMPANIES—Act of April 4, 1907. Sec. 1. "From and after the taking effect of this act, no insurance company shall be incorporated to transact business upon the stock plan, * * * with less than \$100,000 capital, the entire amount of which shall be fully paid up in cash and invested as provided by law. * * *" Only the paid-up portion of capital may be advertised. Articles of incorporation must be certified as correct by the Attorney-General, and be filed with and approved by the Commissioner of Insurance, after being recorded in the Secretary of State's office. Stock notes must be certified by a clerk of the District Court as being those of responsible parties. Domestic fire insurance companies may write automobile and marine risks.

EXAMINATIONS—Chap. 56, Acts of the thirtieth General Assembly, approved March 17, 1904. Section 1. "The Commissioner of Insurance may at any time he may deem it advisable, make an examination of or inquire into the affairs of any insurance company authorized or seeking to be authorized to transact business within this State, provided that such examination shall not be less frequent than once during each biennial period." Sec. 2. "When any company is being examined, the officers, employees or agents thereof shall produce for inspection all books, documents, papers or other information concerning the affairs of the company, and shall otherwise assist in such examination so far as they can do. The Commissioner of Insurance, or his legally authorized representative in charge of the examination, shall have authority to administer oaths and take testimony bearing upon the affairs of any company under examination." Sec. 3. "For the purpose of carrying into effect the provisions of this act, the Auditor of State is hereby authorized to appoint an insurance examiner, who shall also be a competent actuary, who shall receive for his services a salary of two thousand dollars per year, and who, while conducting examinations, shall possess all the powers conferred upon the Commissioner of Insurance for such purposes. Said examiner shall give bond to the State conditioned upon the faithful performance of his duties, in the sum of five thousand dollars, which bond shall be filed with and approved by the Commissioner of Insurance. The entire time of the examiner shall be under the control of the Commissioner of Insurance, and shall be employed as he may direct. The Commissioner of Insurance may, when in his judgment it is advisable, appoint assistants to aid in making examinations. Such assistants shall receive as compensation for their services not to exceed five dollars per day each. Said examiner and assistants shall receive no other or further compensation than as above provided, except that they and the Commissioner of Insurance shall receive actual and necessary traveling, hotel and other expenses while engaged in conduct-

ing examinations away from their respective places of residence. Such expenses, together with the compensation of the assistants, shall be paid by the Treasurer of State, upon warrants drawn by the Commissioner of Insurance, bills for the same having first been approved by the Executive Council. Such bills shall be filed under oath of the party incurring the expense and shall be approved by the person in charge of the examination. The salary of the examiner shall be paid as are salaries of other employees of the Commissioner of Insurance's office. All bills for expenses of any examination, together with the compensation of the assistants, shall be charged to and paid by the companies examined, and upon failure or refusal of any company examined to pay such bill or bills, the same may be recovered in an action brought in the name of the State under the direction of the Executive Council, and the Commissioner of Insurance may also revoke the certificate of authority of such company to transact business within this State. All fees collected under the provisions of this chapter shall be paid to the Commissioner of Insurance and shall be turned into the State treasury as are other fees of his office."

Sec. 4. "If upon investigation or examination, it shall appear that any company is insolvent or in an unsound condition, or is doing an illegal or unauthorized business, or that it has refused or neglected for more than thirty days to pay final judgment rendered against it in the courts of this State, the Commissioner of Insurance may suspend its authority to transact business within this State until it shall have complied in all respects with the laws applicable to such company or has paid such judgment, or he may revoke its certificate of authority to transact business within this State, and having revoked the certificate of any company organized under the laws of this State, he shall at once report the same to the Attorney-General, who shall apply to the district court or any judge thereof for the appointment of a receiver to close up the affairs of said company," * * * Sec. 7. "Should any company decline or refuse to submit to an examination as in this act provided, the Commissioner of Insurance shall at once revoke its certificate of authority, and if such company is organized under the laws of this State, he shall report his action to the Attorney-General, who shall at once apply to the district court or a judge thereof for the appointment of a receiver to wind up the affairs of the company." Sec. 8. "Examination of insurance companies not located within this State shall only be made by order of the Executive Council, and at such time as it may direct."

FEES—Filing charter (other than Iowa companies), \$25; filing annual statement (other than Iowa companies), \$20; for general certificate, \$2; for general agent's certificate, \$2; for two certificates for publication, \$4; for each agent's certificate (each member of firm must have certificate), domestic companies, 50 cents; outside companies, \$2; for filing and examination of first application of any company and accompanying articles of incorporation for organization in this State and the issuing of the permission to

do business, \$10; for filing annual statement and issuing renewal, domestic company, \$3; copy of paper on file, 20c.; certifying same, \$1. Examinations, per diem of assistant examiner and actual expenses. See "Reciprocal Law." Fees are payable to Auditor of State.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—A State Fire Marshal investigates fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required, except on application for admission to State.

GENERAL PENALTIES—For any violation of the insurance law a fine of not more than \$1000, or imprisonment for from thirty days to six months.

For declaring a dividend, except from surplus profits, a domestic company's charter may be forfeited.

For doing business for any company which is operating unlawfully, a fine of \$100 to \$1000, or imprisonment for not exceeding one year, or both.

IMPAIRMENT—See "Examinations."

INVESTMENTS PRESCRIBED—Domestic companies may invest capital and funds in mortgage loans on property worth double the amount loaned thereon, exclusive of buildings, unless the latter are insured for the benefit of the company; United States bonds or treasury notes, or Iowa State bonds, or bonds of any county or municipal corporation thereof, authorized by law; or they may loan upon the securities above mentioned. Surplus funds may be invested in or loaned upon stock or bonds or other evidences of indebtedness of any solvent dividend-paying corporation organized under the laws of Iowa or of the United States, worth at their market value ten per cent more than the amount loaned (company's own stock is excepted).

LICENSED BROKERS—No provision. Sec. 1758. "No action shall be maintained in any court in the State upon any policy or contract of fire insurance issued upon any property situated in the State by any company, association, partnership, individual or individuals that have not been authorized by the Insurance Department to transact such insurance business, unless it shall be shown that the insurer or insured, within six months after the issuing of such policy or contract of insurance, has paid into the State Treasury two and one-half per cent. of the gross premium paid or agreed to be paid for such policy or contract of insurance."

LIMIT ON A SINGLE RISK—A company's net line on a single hazard must not exceed ten per cent of its paid-up capital.

LLOYDS—No special provision. Inter-insurance exchanges cannot be licensed in Iowa.

MISCELLANEOUS—Companies are forbidden to issue any policies except under their corporate title. Companies issuing underwriter's agencies' policies may stamp the name of the agency on back of policy. No misleading advertisements may be published of the agency.

MUTUAL COMPANIES—(In 1906, the insurance law was so amended that after July 4, 1906, no mutual company can be organized under Chap. 4, Title IX). Law of April 13, 1907. Sec. 2. "Any association incorpo-

rated under the laws of this State for the purpose of furnishing insurance as provided for in this chapter, doing business only within the county in which is situated the town or city named in its articles of incorporation as its principal place of business, or the counties contiguous thereto, shall, for the purposes of this chapter, be deemed a county mutual assessment association; all other associations operating hereunder shall, for the purposes of this chapter, be deemed State mutual assessment associations." This law provides that a State mutual must have 125 applications representing, in classes 1, 2 and 3, \$250,000 each; class 4, \$100,000. A county mutual must have applications for \$50,000, representing at least fifty applicants. Mutual companies are required to report in January, and to maintain a reinsurance reserve ranging from ten per cent to fifty per cent of basis rates. Mutual companies of other States may now be licensed in Iowa, but must possess \$200,000 of cash assets above all liabilities (including reinsurance reserves).

PRELIMINARY DOCUMENTS—Company must file a copy of its charter and a verified statement showing financial standing and a copy of its last annual report. Foreign companies must file certificate of deposit; certified copy of charter, copy of policy and appointment of Auditor as attorney to accept service of process. Certificate of compliance with laws of company's home State must be filed annually with annual statement.

PUBLICATION—Sec. 1737. "The Commissioner of Insurance shall annually, as soon as practicable after the first of March, publish in two newspapers of general publication, a statement made up from the annual report of every insurance company of the character provided for in this chapter and doing business in this State whether organized under the laws of this or any other State, which statement shall contain a synopsis of the company's annual report and shall show that the company has in all respects complied with the laws of the State relating to insurance and is authorized to transact business in the State. One publication as above contemplated, shall be made at the seat of government, and in case of companies organized in this State and located elsewhere than in the city of Des Moines, the other shall be made in the county in which the home office of the company is located. The fee for each publication shall be six dollars (\$6), which shall be paid to the Commissioner of Insurance at the time and in the manner provided for in Section seventeen hundred and fifty-two (1752), Supplement to the Code and shall be by him paid to the papers making the publication upon receipt of a bill for same, together with an affidavit by the publisher or foreman showing that such publication has been properly made, the same to be filed within thirty days from the date of such publication."

RATING BUREAUS TO BE MAINTAINED—Law of 1915, which applies to all insurers except exclusively hail and tornado mutuals and mutuals confining their risks to churches, school houses, town dwellings and farm buildings and personal property, is in part as follows: Sec. 2. "Every insurance company or association or other insurer authorized to effect insurance

against the hazard of loss or damage by fire, lightning, wind storm or hail in this State shall be a member of a rating bureau, or adopt as its basis the rating of a bureau making insurance rates upon property in the State of Iowa. No insurer shall apply the rates of more than one rating bureau for the purpose of rating risks of like kind and hazard within the State of Iowa. A rating bureau may consist of any organization maintained for insurance rating purposes and not engaged in any way as an insurer, the services of which shall be available to any insurer desiring to adopt the rates of such bureau, without discrimination as to cost; or of one or more insurers, and when consisting of two or more insurers shall admit to membership any insurer applying therefor. The expense of a rating bureau consisting of insurers shall be shared in proportion to the gross premiums received by each member during the preceding year on fire risks located in this State and to which said bureau's rates have been applied and each member shall have one vote. Every rating bureau shall maintain an office within this State. Every insurance company, or other insurer aforesaid, shall on or before June 1, 1915, and also in its application for its annual certificate of authority, specify the name and address of the rating bureau making rates upon property located in this State of which it is a member, or the rating bureau whose rates it has adopted and during the year shall file a written notice of any such other rating bureaus of which it shall become a member, or whose rates it may hereafter adopt." Sec. 3. "The Commissioner of Insurance may address inquiries to any individual association or bureau, or any insurer or insurers, which is or has been engaged in making rates or estimates for insurance upon property in this State, in relation to its organization, maintenance, or operation, or any other matter connected with its transactions, and may require the filing of schedules, rates, forms, rules, regulations and other information, and it shall be the duty of every such individual, association, bureau or insurer, or some officer thereof, to promptly make such filing, and reply to such inquiries in writing." Sec. 4. "The Commissioner of Insurance shall have power to examine any such rating bureau as often as he shall deem it expedient to do so, and shall do so not less than once every three years. A report thereof shall be filed in his office. The Commissioner of Insurance may waive such examination upon the filing with him of the report of such examination made by some other insurance department or proper supervising officer, within such three years. A statement with regard to such examination shall be made in the manner required by the Commissioner of Insurance." Sec. 5. "No insurance company or association or other insurer insuring against any of the hazards mentioned in this act, and no rating bureau shall fix or charge any rate for such insurance upon property in this State which discriminates unfairly between risks of essentially the same hazards and having substantially the same degree of protection against the hazards covered by the insurance. Every such company or association or other insurer shall, at least fifteen days in advance of any variation by it from the rates then in use, file with the Insur-

ance Department and the bureau of which it is a member a schedule showing the variation, and all such variations shall be uniform in their application to all of the risks in the class for which such variation is made."

Sec. 6. "Every rating bureau engaged in making rates or estimates for rates for insurance on property in this State shall inspect every risk specifically rated by it upon a schedule and shall make a written survey of such risk, and shall also specify all flat or classification rates for farm or town dwelling property, or other property not specifically rated, all of which shall be filed as a permanent record in the office of such bureau. A copy of such survey shall be furnished to the owner upon request." Sec. 7. "The Commissioner of Insurance shall have power upon written complaint, or on his own motion, to review any rate fixed by any bureau, or insurer, for insurance upon property within this State for the purpose of determining whether the same is discriminatory or unjust. He shall have power to order the discrimination removed or to fix and order substituted a rate which is not discriminatory or unjust. A review of such rate before the Commissioner of Insurance shall be had only after due notice and hearing, and his findings or order shall in all cases be subject to summary court review by a court of competent jurisdiction in this State. During such court review, the operation of the Commissioner's order shall be suspended; but in the event of final determination against any insurer, any overcharges during the pendency of such proceedings shall be refunded to the persons entitled thereto." Sec. 8. "No insurer, however constituted, doing the business of insurance, mentioned in this act, within this State, and no officer, agent, or employee hereof shall, as an inducement to securing such business, or after the obligation has been issued, whether with or without the knowledge of such insurer, pay, allow, or give, or offer to pay, allow or give, directly or indirectly, any rebate, discount, or reduction of the premium paid or payable under such policy, nor in addition to the terms, credits and allowances therein contained, promise or give anything of value, whether part of a compensation for securing said business, or by making contracts of sale or purchase, or in any other manner whatsoever, or confer any special favor, benefit, valuable consideration, or inducement whatever not given on all its policies of like class." Severe penalties are provided for violations of this law.

RETALIATORY LAW—Sec. 1736. "When, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits of money, securities or other obligations or prohibitions are imposed, or would be imposed, on insurance companies of this State doing or that might seek to do business in such other State, or upon their agents therein, so long as such laws continue in force the same obligations and prohibitions of whatever kind shall be imposed upon all insurance companies of such other State doing business in this State or upon their agents here."

REINSURANCE—Section 1711 provides that a company may cause itself to be insured "in companies, only authorized to do business in this State,"

against any loss or risk it may have incurred in the course of its business. Consolidation, or the reinsurance of more than a fractional part of a company's risks, must be effected as prescribed in Chap. 58, Laws of thirtieth General Assembly.

REINSURANCE RESERVE—Forty per cent of the premiums received on all unexpired risks. No credit for reinsurance in unlicensed companies.

RESIDENT AGENTS—(Code of 1897). Sec. 1739. "No such company shall write, place, or cause to be written or placed, any policy or contract for insurance upon property situated or located in this State except through its resident agent or agents."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—A standard form of policy was adopted in 1907. Penalty for use of any other form, \$50 to \$100 for first offense; \$100 to \$200 for each subsequent offense, and company to be disqualified from doing business in Iowa until fines are paid. The Commissioner of Insurance rules that a tornado insurance rider may be attached to the standard fire policy.

TAXES—Every insurance corporation not incorporated under the laws of Iowa shall pay into the State treasury as taxes two and one-half per cent of the gross premiums, less return premiums. No deduction for reinsurance or fire department taxes. Iowa companies must pay one per cent on gross premiums, less return premiums and losses actually paid. Taxes are payable to the Treasurer of the State, according to bills rendered the companies by the Insurance Department, on or before March 1.

TAX STATEMENTS—Must be filed by Jan. 31.

VALUED POLICY—Title IX., Chap. 4, Sec. 1742. "In any action brought in any court in this State on any policy of insurance for the loss of any building so insured, the amount stated in the policy shall be received as *prima facie* evidence of the insurable value of the property at the date of the policy, provided the insurance company or association issuing such policy may show the actual value of said property at date of policy, and any depreciation in the value thereof before the loss occurred, but the said insurance company or association shall be liable for the actual value of the property insured at the date of the loss, unless such value exceeds the amount stated in the policy."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

DAVENPORT—For each agent, \$10, payable April 1.

KANSAS.

STATE REQUIREMENTS.

AGENTS DEFINED—G. S., Sec. 4087. "Any insurance company not organized under the laws of this State may appoint one or more general agents in this State, with authority to appoint other agents of said company in this State. A certified copy of such appointment shall be filed with the Superintendent of Insurance, and agents of such company, appointed by such general agents, shall be held to be the agents of such company, as fully, to all intents and purposes, as if they were appointed directly by the company."

AGENTS' LICENSES—Each agent must obtain a license, which must be renewed annually on or before March 1. A license is required by each member of a firm. Penalty for doing business for an unauthorized company, fine of \$500. All licenses expire last day of February.

ANNUAL STATEMENTS—Must be filed on or before March 1. Penalty for violation, fine of \$500, and \$500 additional for each month until filed.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—Chapter 257 (1899.) Sec. 1. "That all arrangements, contracts, agreements, trusts, or combinations between persons or corporations, made with a view, or which tend to prevent, full and free competition in the importation, transportation, or sale of articles imported into this State, or in the product, manufacture, or sale of articles of domestic growth or product, or domestic raw material, or for the loan or use of money, or to fix attorneys' or doctors' fees, and all arrangements, contracts, agreements, trusts, or combinations between persons or corporations, designed or tend to advance, reduce, or control the price or the cost to the producer, or to the consumer, of any such product or articles, or to control the cost or rate of insurance, or which tend to advance or control the rate of interest for the loan or use of money to the borrower, or any other services, are hereby declared to be against public policy, unlawful and void." Penalty for violation, fine of \$500 to \$1000.

ANTI-DISCRIMINATION—The law relating to the regulation and control of rates prohibits discriminations.

ATTORNEY—The Superintendent of Insurance must be empowered to accept service of legal process.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Paid-up, \$100,000. See "Reciprocal Law."

COMMISSIONS TO NON-RESIDENTS—The Insurance Department rules that resident agents cannot divide commissions with non-resident agents.

DEPOSIT—None required, except that foreign companies must have \$100,000 on deposit in one of the United States, invested in the securities listed under "Investments Prescribed" (which see), and that the aggregate deposits in the United States shall exceed all liabilities therein by at least \$100,000.

DOMESTIC COMPANIES—G. S., Sec. 4093. "Hereafter, when any number of persons shall associate to form an insurance company for any other purpose than life insurance, and become incorporated in accordance with the provisions of chapter 23 of the General Statutes of 1868, relating to private corporations, they shall publish a notice of such intention once in each week for at least four weeks, in a public newspaper in the county in which such insurance company is proposed to be located, before executing their charter, as in said act provided. Every such company, heretofore organized, shall file with the Superintendent of Insurance a copy of its charter, duly certified by the Secretary of State."

EXAMINATIONS—G. S., Sec. 4074. "It shall be the duty of the Superintendent of Insurance, when he has reason to suspect the correctness of any statement of an insurance company, association, corporation, or beneficiary society doing business in this State, whether incorporated in this State or not, or that its affairs are in an unsound condition, or that it is transacting business in violation of the provisions of any of the insurance laws of this State, to make, or cause to be made by some person or persons by him appointed for that purpose, an examination into the affairs of such company, association, corporation or beneficiary society; and it shall be the duty of its officers or agents to submit their books and business to such examination and in every way facilitate the same."

FEES—Domestic companies. Filing and examination of charter and issuing certificate of authority, \$25; every other certificate required by law, 50c.; filing annual statement, \$10; copy of papers on file, 20c. per folio; authority to agents, 50c. Other State and Foreign Companies—For filing and examining the charter of any insurance company and issuing the certificate of authority thereupon, \$55; for filing the annual statement, \$50; for each license granted to agents, \$2; for every copy of a paper filed in this office, the sum of 20c. per folio; for affixing the seal of office and certifying to paper, \$1; for accepting service of process, \$3; for broker's license, \$10. An additional annual payment of \$50 is required for the benefit of the State school fund. Fees payable to Superintendent of Insurance.

FIRE DEPARTMENT TAX—G. S., Sec. 4249. "Every fire insurance company, corporation or association not incorporated by the laws of this State, doing business in any incorporated city of this State, having, or that may hereafter have, a regularly organized fire department, under the control of the Mayor and Council of said city, and having in serviceable condition for fire duty fire apparatus and necessary equipments belonging thereto to the value of \$1000 or upward, shall return to the Superintendent of Insurance a just and true account, verified by oath, that the same is a true account of all premiums received from fire insurance business done in such incorporated cities during the year ending December 31, or such portion thereof as they may have transacted such business in such cities. Such return must be made by said companies within sixty days after the thirty-first day of December, each year." Sec. 4250. "Every fire insurance company aforesaid

shall, within sixty days after the thirty-first day of December of each year, deliver and pay to the Superintendent of Insurance the sum of \$2 upon the \$100, and at that rate upon the amount of all premiums written on fire and lightning within the limits of such incorporated city, during the year ending December 31, in each year, or for such portion of such period as said company shall have done business in said city."

FIRE MARSHAL—Chap. 312, Laws 1913. Establishes the office of State Fire Marshal, whose duties will be to investigate causes and origin of fires and the betterment of systems for the prevention of fire throughout the State. Law of 1915 requires companies to report all fire losses, with certain details, on December 31, annually, to State Fire Marshal. Suspicious fires must be reported immediately through National Board of Fire Underwriters or otherwise.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

IMPAIRMENT—Limit of impairment permitted, 20 per cent.

INTER-INSURERS—See "Lloyds."

INVESTMENTS PRESCRIBED—"It shall be lawful for any insurance company incorporated under the laws of this State, for any purpose other than life insurance, to invest its capital, and the funds accumulated in the course of its business, or any part thereof, in bonds and mortgages on real estate worth fifty per cent more than the sum loaned thereon over and above all incumbrances, exclusive of buildings, unless such buildings are insured and the policy transferred to said company; and also, in the stocks of this State, or stocks or treasury notes of the United States; and also, in the stocks and bonds of any county, school district, or incorporated city in this State, authorized to be issued by the Legislature; and to lend the same, or any part thereof, on the security of such stocks or bonds, or treasury notes, or upon bonds and mortgages as aforesaid, and to change and reinvest the same as occasion may from time to time require; but any surplus money over and above the capital stock of any such insurance company may be invested in, or loaned upon, the pledge of the public stock or bonds of the United States, or any one of the States, or the stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of this State or of the United States; provided, always, that the current market value of such stocks, bonds or other evidences of indebtedness shall be at all times during the continuance of such loans at least twenty per cent more than the sum loaned thereon." A domestic company may not invest in real estate, except such as is required for the convenient accommodation of its business, unless acquired under mortgage or taken in payment of a debt or under sale because of a judgment for a debt.

LICENSED BROKERS—A broker may be licensed to deal with unauthorized companies, for a fee of \$10 per annum. He must file a statement annually within ten days after January 1, showing his transactions with unauthorized

companies, and an affidavit that, after diligent effort, he had been unable to secure the amount of insurance required in regularly admitted companies during the year last past, and must pay a tax of two per cent on gross premiums received from policyholders upon policies procured from unauthorized companies. Placing an excess line in an unauthorized company without complying with this law (Law of March 8, 1907) is punishable by a fine of \$50 to \$300.

LIMIT ON A SINGLE RISK—Net line for stock company, five per cent of paid-up capital; for mutual company, ten per cent of face value of all its resources, except that in organizing it is \$1000, and thereafter is \$6000,

LLOYDS—Chap. 207, Laws of 1913. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, excepting life insurance." Contracts may be executed by an attorney acting for such subscribers. Subscribers must make an annual statement stating by-laws, etc., that applications have been made for insurance on at least 100 risks aggregating \$1,500,000, properly covered; and must deposit \$25,000 with the attorney. Attorney must pay a fee of \$20 annually in lieu of all other taxes and fees in the State.

MISCELLANEOUS—Policy provision voiding policy if insured premises become vacant is void if premises were occupied at time of loss. Fire companies may insure against explosion losses.

MUTUAL COMPANIES—G. S., Sec. 4208. "That any number of persons, not less than twenty-five, residing in this State, who collectively shall own property of not less than \$50,000 in value, in one of the classes as hereinafter set forth, which they desire to have insured, may form an incorporated company for the purpose of mutual insurance of its members against loss or damage by fire, lightning or tornado." Such companies may write "detached" risks in cities or villages, "detached" meaning 50 feet or more from any contiguous risk. Sec. 4210. "Such persons so desiring to incorporate shall file in the office of the Superintendent of Insurance a statement, signed by all the incorporators, stating their purpose of forming a company for the transaction of the business of insurance, as expressed in the first section of this act, which statement shall also contain a copy of the charter adopted by them, made in accordance with the Statutes of 1868, and amendments thereunto, and a copy of the by-laws proposed to be adopted by them, and shall publish a notice of such intentions once in each week, for four consecutive weeks, in the official county paper published in the county in which the principal office of such company is proposed to be located." No policies shall be issued until applications in good faith have been received to the amount of at least \$100,000, and premium notes have been received in advance. Provision is made for the establishment of reserve

funds. Companies of other States licensed in their home States, and having guaranty funds of \$100,000 or more, may be licensed in Kansas. Sec. 4242 provides that domestic or foreign mutual companies having guaranty funds may insure detached risks in towns, "detached" risk being considered as meaning a dwelling not nearer than 5 feet to any other building.

PRELIMINARY DOCUMENTS—Company must file copy of by-laws, charter, last report and statement.

PUBLICATION—No provision.

RATE SCHEDULES TO BE FILED—Fire insurance companies are required to file general basis rate schedules with the Superintendent of Insurance, and to file local rate schedules with the Superintendent of Insurance and with their local agents, and these are to be open to the inspection of the public. The local rate schedules must conform to the general basis rate schedules. Companies and agents are required to observe these published rates, and departure therefrom is strictly prohibited and is subject to penalty. Companies and agents are prohibited from making any concessions in premiums, whether in rates, commissions or otherwise. The law contemplates that the policyholder must pay the full premium and rate. When the Superintendent of Insurance shall determine that any rate made by an insurance company in Kansas is excessive or unreasonably high, or that said rate is not adequate to the safety or soundness of the company granting the same, he is authorized to direct said company to publish and file a higher or a lower rate, which shall be commensurate with the character of the risk, but in every case the rate shall be reasonable.

RECIPROCAL LAW—G. S., Sec. 4085. "* * * Whenever the existing or future laws of any other State or government shall require insurance companies organized under the laws of this State, applying to do business by agencies in such other State or government, or of the agents thereof, any deposit of security in such State for the protection of policyholders therein, or otherwise, or any payment for taxes, fines, penalties, certificates of authority, licenses, fees, or otherwise, greater than the amount required for such purposes from insurance companies of other States by the then existing laws of this State, then, and in every case, all companies of such States or governments establishing agencies in this State shall make the same deposit, for a like purpose, with the Superintendent of Insurance of this State, and pay to said Superintendent, for taxes, fines, penalties, certificates of authority, licenses, fees, or otherwise, an amount equal to the amount of such charges and payments imposed by laws of such other States or government upon the companies of this State and the agents thereof * * *." Insurance Laws of 1907, Chap. 223. "* * * Insurance companies of any other country, State or Territory shall not be permitted to transact business in Kansas, unless possessed of the amount of paid-up capital required by said country, State or Territory, of similar companies organized under the laws of this State, and unless said companies of any other country, State or Territory shall have complied with all other laws and requirements pre-

scribed by said country, State or Territory of similar companies organized under the laws of this State."

REINSURANCE—No prohibition of reinsurance in unauthorized companies, but the facilities of admitted companies must first be exhausted. The Attorney-General holds that in all cases the original insuring company is held for the taxes without any credit for reinsurance, no matter with whom reinsured. Under the resident agents' law, reinsurance in admitted companies must be through resident agents. See "Resident Agents." Sec. 4257. In considering the liabilities of such a company, corporation or association, it shall not be credited with risks reinsured except for such risks as are reinsured in companies doing business in the United States, and which are or might, under the statutes of this State, be permitted to do business in this State."

REINSURANCE RESERVE—Fifty per cent of the premiums on unexpired risks running one year or less, and pro rata on unexpired risks running more than one year. Provision is made for the accumulation of reserve funds by mutual companies.

RESIDENT AGENTS—G. S., Sec. 4253. "Any fire insurance company authorized to do business by the Superintendent of Insurance is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is a non-resident of the State of Kansas, from issuing, or causing to be issued, any policy or policies of insurance on property located in the State of Kansas." The Insurance Department rules that resident agents cannot divide commissions with non-resident agents.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No provision.

TAXES—All insurance companies of other States shall annually, on the first day of March, pay to the Superintendent of Insurance two per cent on gross premiums received; foreign companies pay four per cent on gross premiums. Deductions are permitted on account of return premiums on account of cancellations, but not for reinsurance premiums. Brokers pay two per cent on gross premiums received for unlicensed companies. Fire Marshal tax of $\frac{3}{8}$ of 1 per cent on all fire and lightning premiums shall be payable to the Superintendent of Insurance annually on or before March 15.

TAX STATEMENTS—Must be filed by January 15. Fire department tax statements must be filed by March 1. Penalty for failing to file fire department tax statement, fine of \$300.

VALUED POLICY—G. S., Sec. 4260. "Whenever any policy of insurance shall be written to insure any improvements upon real property in this State against loss by fire, tornado or lightning, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured or his assigns, the amount of insurance written in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages, and the payment of money as a premium for insurance shall be *prima facie* evidence that the party paying such insurance is the owner of the property insured; provided, that any insurance

company may set up fraud in obtaining the policy as a defense to a suit thereon." Company or agent must examine the insured property, and the policy must contain a complete and correct description of same. No incomplete or erroneous description will be a defense in an action to collect a loss, if the property could be identified from the description by a person of "ordinary intelligence."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

- ATCHISON—For each agent for each company represented, \$40 per annum, payable semi-annually, January 1 and July 1.
- BAXTER SPRINGS—For each company, \$5.50 per annum, payable semi-annually, January 1 and July 1.
- BELLEVILLE—For each company, \$10 per annum, payable semi-annually, January and July.
- BONNER SPRINGS—For each agent, \$5 per annum, payable annually May 1.
- BUCKLIN—For each agent, \$10, payable annually May 1.
- CANEY—For each company, \$10, payable January 1.
- CHANUTE—For each company, \$20 per annum, payable semi-annually, January 1 and July 1.
- CHERRYVALE—For each company or agent, \$6 for six months, payable January 1 and July 1.
- CHETOPA—For each agent, \$3, payable January 1.
- CLAY CENTER—For each company, \$5 per annum, payable January 1.
- COLBY—For each agent, \$10 per annum.
- COLUMBUS—For each agent, \$5 per annum, payable January 1.
- CONCORDIA—For each company, \$10 per annum, payable semi-annually, January 1 and July 1.
- COUNCIL GROVE—For each company, \$2.50, payable January 1.
- DODGE CITY—For each agent, \$10, payable July 1.
- EMPORIA—For each company, \$15 per annum, payable January 1 and July 1.
- EUREKA—For each company, \$3; for each agent, \$5 per annum, payable January 1 and July 1.
- FORT SCOTT—For each agent, \$25 per annum, payable January 1 and July 1.
- FRONTENAC—For each company, \$2.50, payable May 1.
- GALENA—For each company, \$10, payable semi-annually, January 1 and July 1.
- GAS—For each company, \$10 per annum, payable January 1.
- GIRARD—For each company, \$5 annually, payable January 1 and July 1.
- GRENOLA—For each company, \$3 per annum, payable annually May 1.
- HOLTON—For each company, \$10, payable January 1.
- HORTON—For each company, \$10, payable semi-annually, January 1.
- HUMBOLDT—For each company, \$3.25, payable December 1 each year.
- HUTCHINSON—For each company, \$20 annually, payable January 1.

- INDEPENDENCE—For each company, \$5 per annum, for each agent \$5, payable semi-annually, January 1 and July 1.
- IOLA—For each company, \$10; non-resident agents, \$20, payable semi-annually, January 1 and July 1.
- JUNCTION CITY—For each company, \$10, payable July 1.
- KANSAS CITY—For each company or agent, \$20 per annum, payable semi-annually.
- LAWRENCE—For each company, \$50; for each agent, \$10 per annum, payable semi-annually, January 1 and July 1.
- LEAVENWORTH—For each company, \$50, payable March 1.
- McPHERSON—For each company, \$5, payable January 1.
- MEADE—For each agent, \$5, payable May 1.
- MILTONVALE—For each company, per agency, \$2.50 per year.
- MINNEAPOLIS—For each company, \$5 per year, payable semi-annually, January 1 and July 1 (non-resident agent, \$10).
- MULBERRY—For each agent, \$10 per annum, payable January 1 and July 1.
- NEODESHA—For each agent, \$5 per annum, payable July 1 and January 1.
- NEWTON—For each company, \$10, payable July 1.
- OLATHE—For each company, \$5 per annum, payable semi-annually, January 1 and July 1.
- OSWEGO—For each company, \$25 per annum, payable semi-annually, January 1 and July 1.
- OTTAWA—For each agent, \$10; for each company, \$10, payable semi-annually, January 1 and July 1.
- PAOLA—For each company, \$12 per annum, payable semi-annually, Jan. 1 and July 1.
- PARSONS—For each company or agency, \$20.25 per annum, payable January 1 and July 1.
- PITTSBURG—For each agent, \$20 per annum, payable semi-annually, January and July.
- PRATT—For each company, \$2, payable July 1.
- ROSEDALE—For each agent, \$5.25, payable January 1.
- SALINA—For each company, \$10 per annum, payable January 1 and July 1.
- SCAMMON—For each company, \$2.50 per annum, payable January 1 and July 1.
- SENECA—For each company, \$10.50 per annum, payable semi-annually, January 1 and July 1.
- TOPEKA—For each fire or marine company, \$50 for each agency, payable annually. (Kansas companies located in Topeka excepted); for each broker, \$100.
- WEIR—For each company, \$5, payable semi-annually, January 1 and July 1.
- WELLINGTON—For each company, \$10 per annum, payable semi-annually, January 1 and July 1.
- WICHITA—For each company, \$25 per annum, payable February 1.
- WINFIELD—For each company, \$5 per annum, payable semi-annually, January 1 and July 1.

KENTUCKY

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 633. “* * * Whoever solicits and receives applications for insurance on behalf of any insurance company, or transmits for any person other than himself an application for insurance, or a policy of insurance to, or from, such company, or advertises that he will receive or transmit the same, or who shall, in any manner, directly or indirectly, aid or assist in transacting the insurance business of any insurance company, shall be held to be an agent of such company within the meaning of this article, anything in the policy or application to the contrary notwithstanding.” Penalty for acting as agent without a license, fine of \$50 to \$100 for each offense.

AGENTS' LICENSES—Agents must procure licenses on application of companies, annually from the Insurance Commissioner, which expire on March 1. Penalty for acting as agent without a license, fine of \$50 to \$100 for each offense. Each member of a firm, and each person who solicits insurance, or receives any part of a commission or benefit therefrom, must procure a license. Penalty for acting for an unauthorized company, a fine of \$25 to \$500, or imprisonment for not more than one year, or both. Any agent writing insurance in an unauthorized company becomes personally responsible for any loss under such policy, according to a decision of the Kentucky Appellate Court. A corporation cannot be licensed as an agent.

ANNUAL STATEMENTS—Must be filed within one month after January 10. Time may be extended for not longer than 60 days by the Insurance Commissioner, for good cause. Penalty for failure to file statement or reply to any inquiry, fine of \$500, and \$500 additional for every month's delay; also revocation of agents' licenses. Penalty for making false statement, imprisonment for two to ten years. See “Foreign Companies' Home Office Statements,” and “Tax Statements”; no other annual reports required. Domestic mutual companies file annual statements by February 28.

ANTI-COINSURANCE—Law of 1916. Sec. 22. “* * * It shall be lawful for corporations, firms or individuals doing a fire insurance business in this State to contract with the assured that the assured shall during the life of such contract maintain insurance upon the property insured to the extent of an agreed proportion of the actual cash value of the property at the time that a fire occurs, and that should the assured fail to do so, the assured shall be a co-insurer to the extent that the insurance then in force is less than the amount of such agreed proportion, and to that extent shall as co-insurer bear his part of any loss. Provided, however, that the acceptance of such contract shall be at the option of the assured and that a reduced rate shall begin when such clause is used. No such provision shall be valid unless the filing back of the policy be endorsed, the blanks being prop-

erly filled in: "Rate reduced from to per \$100 insurance in consideration of co-insurance clause making owner bear partial loss of percentum or less in proportion insurance is less than such percentum of value at time of fire"; provided, further, that both the insurer and the insured shall sign the agreement provided herein. (See "Valued Policy.")

ANTI-COMPACT—Law permits co-operation. See "Rating Schedules to be Filed."

ANTI-DISCRIMINATION—Discrimination between insureds of the same class is prohibited by the State Insurance Board law of 1916. Agents must not give rebates.

ATTORNEY—The Insurance Commissioner and all resident agents must be appointed attorney to accept service of legal process.

CANCELLATION OF POLICY—No provision for notice to insured.

CAPITAL REQUIRED—Companies of other States are required to have at least \$150,000 of paid-up capital (or \$150,000 of net assets, if a mutual company); domestic stock companies must have at least \$50,000 capital. Attorney for inter-insurance exchange must hold \$25,000 available for loss payments. Lloyds must have \$150,000 assets.

COMMISSIONS TO NON-RESIDENTS—Licensed agent may divide commission with another agent licensed in Kentucky to write similar insurance, or with a non-resident agent or authorized company on property owned by non-residents or located outside of Kentucky.

DEPOSIT—Foreign companies must have \$200,000 deposited in Kentucky or some other State in securities in which they are authorized to invest their capital stock by the laws of the respective States in which their deposits are made, or in which similar companies in Kentucky may, by law, invest their capital and accumulations. See "Investments Prescribed."

DOMESTIC COMPANIES—Sec. 617. "Any number of persons, not less than thirteen, may associate to establish upon the stock or mutual plan a corporation * * * to insure against loss or damage to property by fire, lightning or tempest; or to insure against perils of the sea and other perils usually insured against by marine insurance, including risks of inland navigation and transportation; or to insure animals against injury * * *" Sec. 618. "Such persons shall execute articles of incorporation, which shall specify the proposed name of the corporation, which must not so closely resemble the name of an existing corporation as to be likely to mislead the public; the class of insurance it proposes to transact, and on what business plan or principle; the place in this State where its principal office or place of business is to be located, the number and amount of agreements for insurance, or, if on the stock plan, the amount of its capital stock, and the number of shares into which the same is divided; the number of directors, and the time at which they are to be elected, and such other facts as may be necessary to explain and make manifest the objects and purposes of the corporation. The words,

KENTUCKY

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DEPOSIT—Foreign companies must have \$200,000 deposited in Kentucky or some other State in securities in which they are authorized to invest their capital stock by the laws of the respective States in which their deposits are made, or in which similar companies in Kentucky may, by law, invest their capital and accumulations. See "Investments Prescribed."

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'insurance company,' must be a part of the title of every such corporation, and also the word 'mutual' if it is organized upon the mutual principle." A single company cannot transact business upon both stock and mutual plans. Documents of a mutual company must bear the word "mutual." Penalty for failure to begin business within one year from date of certificate, forfeiture of charter. Sec. 684. "No stock company shall be incorporated under this law with a smaller capital than \$50,000, which stock shall be divided into shares of \$10 each, nor shall any company on the plan of mutual insurance commence business in this State until agreement has been entered into for insurance with at least 200 applicants, the premium on which shall amount to not less than \$100,000, of which at least \$50,000 shall have been made in cash, and notes of solvent parties, founded on actual and bona fide applications for assurance, shall have been received for the remainder. No one of the notes received as aforesaid shall amount to more than \$500, and no two shall be given for the same risk, or be made by the same person or firm, except where the whole amount of such notes shall not exceed \$500; nor shall any note be represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the company, upon a risk which shall be for no shorter period than twelve months. Each of said notes shall be payable, in part or in whole, at any time when the directors shall deem the same requisite for the payment of losses by fire and inland navigation, and such incidental expenses as may be necessary for transacting the business of said company. And no note shall be accepted as part of such capital stock unless the same shall be accompanied by a certificate of a justice of the peace of the precinct where the person making such note shall reside, that the person making the same is, in his opinion, pecuniarily responsible for the same, and no such note shall be surrendered during the life of the policy for which it was given. Mutual fire insurance companies organized under this law, or any law of this State, may charge and collect in advance upon their policies a full annual premium in cash, but such policies shall not compel subscribers, insured or assured, to renew any policy nor pay a second or further annual or term premium. Any such company, in its by-laws, and in its policies, may fix, by a uniform rule, the contingent mutual liability of its members for the payment of losses and expenses, and such contingent liability, shall not be less than three nor more than five annual cash premiums, as written in this policy; but such liability shall cease with the expiration of time for which a cash premium has been paid in advance, except for liability incurred during that time."

EXAMINATIONS—Sec. 752. "Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance, he shall be satisfied, by such examination and evidence as he sees fit to make and require, that such company is otherwise duly qualified under the laws of the Commonwealth to transact business therein. As often as once in four years he shall, personally or by his deputy or chief clerk, or by some

competent person appointed by him for the purpose, visit each domestic insurance company and thoroughly inspect and examine its affairs, especially as to financial condition and ability to fulfill its obligations, and whether it has complied with the laws. He shall also make an examination of any such company whenever he deems it prudent so to do, or upon the request of five or more of the stockholders, creditors, policyholders, or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. Whenever he deems it prudent for the protection of policyholders in this Commonwealth, he shall, in like manner, visit and examine, or cause to be visited and examined, by some competent person he may appoint for that purpose, any foreign insurance company applying for admission, or already admitted, to do business by agencies in this Commonwealth." Expenses must be borne by the company. "Whoever, without justifiable cause, refuses to appear and testify, when so required, or obstructs the Commissioner in the discharge of his duty, shall, for each offense, be punished by a fine not exceeding \$1000, or by imprisonment not exceeding one year; and if the directors, officers or agents of any foreign company shall refuse to appear and testify when so required, the Insurance Commissioner shall revoke the certificate of authority and license of such company and its agents."

FEES—For filing copy of charter or articles of incorporation or declaration of intention to form company, \$30; annual statement, \$25; license to each agent and certificate of seal of office, each, \$3; no fee for license to agent of domestic company; any additional or supplemental statements for the same year, \$25; seal of office, \$1; copies of any paper on file or deposit, per folio, 20c.; for filing home office statement of foreign company, \$25. Fees payable to Insurance Commissioner. Assessment or co-operative companies pay: For filing articles of incorporation, \$10; for filing annual statement, \$10; for any change of territory and filing papers and keeping records of same, \$5. Other State mutual company on entering pays filing fee of \$25. Inter-insurance exchange pays annual license fee of \$2.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—Provision is made for investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—No express provision. Statements required by the Insurance Commissioner under discretionary power vested in him.

GENERAL PENALTY—Fine of \$10 to \$500 or imprisonment for ten to thirty days, or both.

IMPAIRMENT—Sec. 695. "When the net assets of any company incorporated in this State do not amount to more than four-fifths of its paid-up capital, it may make good its capital to the original amount by assessment of its stock. * * * If such company shall not, within three months after notice from the Insurance Commissioner to that effect, make good its capital as aforesaid, or reduce the same as allowed * * *, its authority

to transact new business shall cease." Penalty for failure of agent to notify persons insured by them of the suspension of the company, fine of \$50 to \$100 for each offense. Agents are forbidden to transact business for an outside company whose capital is impaired twenty per cent, while such deficiency shall continue, unless it shall be repaired within sixty days. When mutual company's liabilities exceed its assets, it must levy an assessment.

INVESTMENTS PRESCRIBED—Sec. 625. "The capital stock and accumulations of all insurance corporations may be invested in bonds and mortgages, lien notes or deeds of trust on unencumbered real estate, worth fifty per cent more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured, and the policy transferred to said company, and continued in force so long as the loan continues, and, also, in the bonds of this State and of other States of the United States, or in the bonds of the United States, and, also in the bonds of any county, city, town, township or school district, of this State or other States of the United States, authorized to be issued by the Legislature thereof, and also in the stocks of incorporated State banks and trust companies, and of National banks of this State and other States of the United States, and in the bonds of railroads of this State and other States of the United States, and of incorporated insurance companies of this State and other States of the United States, and in the bonds or stocks of any bridge, water, street railroad, traction, gas, or electric corporations of this State or of other States of the United States, which shall have a market value of not more than twenty per cent below par, and to lend the same, or any part thereof, on the security of such bonds and stocks, or of bonds and mortgages and deeds of trust as aforesaid **; and to change and reinvest the same as occasion may from time to time require; and in all investments made upon mortgage securities the evidence of the debt and value of the property shall accompany the mortgage. No insurance company shall own more than one-third of the capital of any bank, nor invest in, nor loan on, the stocks and bonds, both included, of any one railroad company, more than one-seventh of its capital stock and accumulated funds, nor in the aggregate shall the investment in and loan on all railroad property exceed one-half of its capital and accumulated funds, nor invest in nor loan on the stock and bonds, both included, of any one street railroad or traction corporation more than one-seventh of its own capital stock and accumulated funds, nor in the aggregate shall the investment in and loan on all street railroad and traction property exceed one-half of its capital and accumulated funds, nor shall the loans on mortgage of real estate, exclusive of lien notes, exceed three-fourths of the capital and accumulated funds of any company organized under the laws of this Commonwealth. Insurance companies, chartered by this State, and now doing business, shall not be compelled to change any investment heretofore legally made." Company may own such real estate as is necessary for the convenient transaction of its business, and for not longer than 5 years, such as has been taken in payment of debts or under foreclosure.

LICENSED BROKERS—Sec. 698. "The Insurance Commissioner, upon the annual payment of a fee of \$25, may issue licenses to citizens of this Commonwealth, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this Commonwealth in foreign insurance companies not authorized to transact business in this Commonwealth. Before the person named in such license shall procure any insurance in such companies on any property in this Commonwealth, he shall in every case execute and file with the Insurance Commissioner an affidavit that he is unable to procure, in companies admitted to do business in the Commonwealth, the amount of insurance necessary to protect said property, and shall only procure insurance under such licenses after he has procured insurance in companies admitted to do business in this Commonwealth to the full amount which said companies are willing to write on said property. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premiums charged thereon; the companies in which the same is placed; the date of the policies, and the term thereof; and also a report in the same detail, of all such policies canceled, and the gross return premium thereon; and before receiving such license, shall execute and deliver to the Insurance Commissioner a bond in the penal sum of \$2000, with such sureties as the Commissioner shall approve, with a condition that he will faithfully comply with all the requirements of this section, and will file with the Insurance Commissioner, in July in each year, a sworn statement of the gross premiums charged for insurance procured and placed, and the gross return premiums on such insurance canceled under such license during the year ending on the thirtieth day of June last preceding, and, at the time of filing such statement, will pay into the Treasury of the Commonwealth a sum equal to four per centum of such gross premiums, less such return premiums so reported."

LIMIT ON A SINGLE RISK—Must not exceed ten per cent on its paid-up capital and surplus. Sec. 687. "* * * If the directors allow to be insured on a single risk a larger sum than the law permits, they shall be liable for any loss thereon above the amount they might lawfully insure. If a company is under liability for losses equal to its net assets, and the president and directors, knowing it, make or assent to further insurance, they shall be personally liable for any loss under such insurance." For a new mutual company, limit is 20 per cent of assets, three times the average risk or 1 per cent of insurance applied for, whichever is greater. For a Lloyds, one-fifth of its cash and invested assets, including liability of underwriters.

LLOYDS—Law of 1916, Secs. 25 and 26, provide for the transaction of business by Lloyds and inter-insurance exchanges. See "Taxes."

MISCELLANEOUS—Policies of stock companies must show upon their face that they are stock policies. Each company must transact business in its

own proper and corporate name. Over-insurance is prohibited.

MUTUAL COMPANIES—See Domestic Companies. A mutual company of another State must have \$150,000 of net assets. Companies are not permitted to transact business upon both stock and mutual plans. Mutual companies' titles must include the word "mutual." Twenty persons may incorporate a mutual company, which must have subscriptions for 200 risks, for at least 20 members, aggregating \$500,000. An assessment or co-operative company may be organized by twenty-five persons owning \$50,000 worth of property.

PRELIMINARY DOCUMENTS—Copy of charter and financial statement as of December 31 preceding, must be filed. Foreign companies must file copy of charter, certified to by custodian of original; home office and United States branch statements (also annually); certificate of deposit; original power of attorney to United States manager, authorizing him to act for the company in this country; resolutions of board of directors authorizing service of process upon Insurance Commissioner or upon any agent of the company in the State. (All original documents.) Certificate of compliance with laws of home State not required annually. Articles of incorporation and certificate of deposit (of foreign company) need be filed but once. Other State mutual company files copy of charter and articles of association, certified copy of by-laws, power of attorney to Commissioner, certificate of compliance from home State, and financial statement; fee, \$25.

PUBLICATION—No requirement. Advertisements must, when they show a company's assets, show its liabilities "with equal conspicuousness"; and when capital is advertised, only the paid-up portion shall be published.

RATING SCHEDULES TO BE FILED—A law which went into effect June 12, 1916, repealed the rating law of 1912 and created the State Insurance Board, made up of the Insurance Commissioner and two other members. The expenses of the Board are limited to $\frac{1}{2}$ of 1 per cent upon the taxable premiums of fire insurance companies, and the expenses of the Insurance Department proper are limited to \$12,800. The Board reports annually to the Auditor of the State. Sec. 4 provides that every fire insurance company authorized in Kentucky shall be a member of or maintain a rating bureau, and shall not be a member of more than one bureau for the purpose of rating the same risk against the same hazard. The expenses of the rating bureau are borne proportionately according to net premiums. Rating bureaus must inspect risks rated by schedule and written surveys shall be made permanent records, also furnishing copies to owners of property inspected and rated. The State Insurance Board has supervision over all rating bureaus and may examine same when deemed expedient, and not less than once every two years, unless such bureau has been examined by some other Insurance Department or proper supervising officer within three years. Discriminatory rates are prohibited, and any deviation from a schedule must be applied uniformly to all risks in the same class. The

State Insurance Board may investigate rates deemed to discriminate unfairly between risks of like character, and may order a discrimination removed. If the record of business shows more than a reasonable profit in Kentucky—for the stock fire companies, five years—the State Insurance Board may order a reduction in rates. No rate may be increased above that in effect December 1, 1915, within two years therefrom, unless there has been an increase in the hazard as to the property rated, and any increase in rate shall correspond to the increase in hazard. No such rate shall be reduced by order of the Board during said period, but rates may be reduced by the rating bureau or bureaus. (This does not apply to reductions ordered because of discriminations.) Schedules and tables for rating unprotected mercantile risks and the term rule filed in December, 1915, may be applied. No company nor bureau may enter into any agreement with regard to the making, fixing or collecting of any rate except in compliance with this law. Orders of the Board are subject to court review. Violation of the foregoing is punishable by fine of \$100 to \$500.

RECIPROCAL LAW—Art. IV., Sec. 637. "When by the laws of any other State any taxes, fines, penalties, deposits of money, or of securities, or other obligations, prohibitions or requirements, are imposed upon insurance companies organized or incorporated under any general or special law of this State, transacting business in such other State, or upon the agents of such insurance company, greater than those imposed upon similar companies by the laws of this State, or when such laws of other States shall require insurance companies of this Commonwealth to deposit money or security for the benefit or protection of citizens of such other States, or when the laws of any other State, or the officers thereof, shall prohibit companies of this Commonwealth from transacting business in said State without a special examination of said companies, or a computation of their liabilities by the officers of said State, the same taxes, fines, penalties, deposits, examinations, obligations and requirements shall be imposed upon all insurance companies doing business in this State, which are incorporated or organized under the laws of such State, and upon their agents.

REINSURANCE—No restriction of reinsurance to authorized companies, but no credit is allowed for reinsurances in unauthorized companies. Reinsurances must be reported. Kentucky companies pay a tax of two per cent on reinsurances in unauthorized companies.

REINSURANCE RESERVE—Fifty per cent of gross premiums received or receivable upon unexpired risks, running one year or less; pro rata on risks for longer terms; entire premium on marine risks; applies also to mutual companies.

RESIDENT AGENTS—Only bona fide residents of the State can be licensed as agents, and all Kentucky business, except rolling stock of common carriers and property in transit must be placed through such resident agents. This provision does not apply to risks placed in mutual companies or inter-

insurance exchanges on which no commission is paid except to a home office manager. See "Taxes."

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—No requirement. Inter-insurance exchange must file copy of policy contract.

TAXES—Law of March 15, 1906. Subdivision VI., Sec. 1. "Every insurance company, other than life insurance companies and assessment casualty companies not organized under the laws of this State but writing policies or contracts of insurance on property located in this State, or doing business therein, shall on the thirty-first day of December of each year, or within thirty days thereafter, return to the Auditor of Public Accounts, for deposit in the Insurance Department, a statement made under oath of all premiums received for the twelve months preceding on policies or contracts of insurance written by the local resident agents, and shall give the amount of premiums received by each local agency, and the losses paid thereon, and shall at the same time pay into the State Treasury a tax of \$2 upon each \$100 of premiums received; and shall also make a statement in detail under oath of all premiums received for the twelve months preceding on policies or contracts of insurance covering property located in this State, written either at the home offices, branch offices, by brokers, or by non-resident agents or by reinsurance of companies not authorized to do business in Kentucky, and also make a statement in detail of the losses paid under such policies, and shall at the same time pay into the State Treasury a tax of \$2 upon each \$100 of premiums so received, if not paid within thirty days, a penalty of \$5 additional of each \$100 of the gross premium shall attach. Said statements of insurance written by other than authorized local agents duly licensed by the State of Kentucky shall show each policy written, its number, the assured, date, expiration, amount, rate and premium and the kind and location of the property insured." Sec. 2. "Any company or association as contemplated in this subdivision, failing or refusing to make such report and to furnish all data and information as required in sections of subdivision 5 and Section 1 of subdivision 6 of this article, shall be deemed guilty of a misdemeanor, and, on conviction, be fined not less than \$100 nor more than \$500 for each offense." Sec. 3. "That all mutual assessment companies, associations, individual firms, underwriters or Lloyds not organized under the laws of the State of Kentucky, but having resident members doing business therein, and who shall enter into contracts of insurance with each other, or into agreements to indemnify each other against losses by fire, lightning, wind storms or other casualties, for which there is no premium charged or collected at the time the insurance is made, shall be deemed to be doing an insurance business in this State, and shall annually on the first day of July, or within thirty days thereafter, pay into the Treasury as a license tax, a tax of \$2 upon each \$100 of assessment paid or collected in any one year; each resident member shall be liable to

the State for the license tax and all interests and penalties. Any person, company or association, as provided for in this section, that fails or refuses to make a report giving all the data and information necessary to determine the amount of revenue due, or that fails to make the necessary report as provided for in this section, or that fails to pay the tax due thereon, shall be deemed guilty of a misdemeanor and, upon conviction, be fined not less than \$100 nor more than \$500 for each offense. The Franklin Circuit Court is hereby given jurisdiction of any and all actions that may be brought under this section." Sec. 4. "That all persons, companies, associations or corporations residing or doing business in this Commonwealth that enter into any agreements with any insurance company, association, individual firm, underwriter, or Lloyds, not authorized to do business in this State by the Insurance Department thereof, whereby said person, company, association or corporation shall enter into contracts of insurance with the said unauthorized association, individual firm, underwriter, or Lloyds, to indemnify against losses by fire, lightning, windstorms or other casualties for which there is a premium charged or collected, the said person, company, association or corporation shall, annually, on the first day of July, or within thirty days thereafter, return to the Auditor of Public Accounts for deposit in the Insurance Department, a statement under oath of all net premiums paid or charged for the twelve months preceding on policies or contracts of insurance taken by said person, company, association or corporation, and shall at the same time pay into the State Treasury a tax of \$2 on each \$100 of net premiums paid. Any person, company, association or corporation failing or refusing to make such report and to furnish all the data and information that may be required by the Insurance Commissioner to determine the amount due, shall be deemed guilty of a misdemeanor and, upon conviction, be fined not less than \$100 nor more than \$500 for each offense. The Franklin Circuit Court shall have jurisdiction of all prosecutions under this article." Kentucky companies reinsuring in unauthorized companies must pay a tax of two per cent on such business. Fire marshal tax, one-half of one per cent on gross premiums. See "Tax Statements." Domestic companies pay an organization tax of one-tenth of one per cent on capital and on subsequent increases thereof. No credit on taxes for reinsurances in unauthorized companies. Penalty for acting for a company in default for taxes or fees, fine of \$50 to \$100, and imprisonment for 30 to 50 days. Licensed brokers pay four per cent on premiums placed with unauthorized companies. The expenses of the State Insurance Board, not exceeding \$25,000 per annum, are to be collected from the companies coming under its provisions, in proportion to their net premiums collected in the State.

TAX STATEMENTS—Law of March 15, 1906. Subdivision IV. "Every insurance company, other than life insurance companies, and all fire insurance companies, not organized under the laws of this State, but doing business therein, shall, on the thirty-first day of De-

ember in each year, or within thirty days thereafter, return to the Auditor of Public Accounts, for deposit in the Insurance Department, a statement under oath, of all premiums received in this State, or out of this State, on business done in this State during the year ending on the thirty-first day of December last preceding or since the last returns were made, and shall give the name and location of, and the amount of premiums received by each agent, and losses paid at each agency, and shall at the same time, pay into the State Treasury a tax of two dollars upon each one hundred dollars of said premiums so ascertained, less returned premiums on canceled policies and reinsurance in companies having authority to transact business in this State, and upon payment file a statement thereof with the Secretary of State." Subdiv. V. Sec. 1. "Any insurance company failing or refusing for thirty days to return the statement required, under the oath of some principal officer or general agent or manager of the State, and to pay the tax required, shall forfeit \$100 for each offense, and it shall be the duty of the Insurance Commissioner to revoke the authority of such company or its agents, and to publish such revocation in some newspaper of this Commonwealth." Sec. 2. "Any insurance company that has been authorized to transact business in this State shall continue to make the reports required herein as long as it collects any premiums as provided for herein, and shall pay taxes thereon, even after it has voluntarily ceased to write insurance in the State, or has withdrawn therefrom, or its license suspended or revoked by the Insurance Commissioner, and for failure to make report of the premiums collected and pay the taxes due thereon, shall be fined \$500 for such offense." Sec. 3. "Any company or association, as contemplated in the preceding sections, failing or refusing to return the statement, or pay the taxes as herein required, shall be deemed guilty of a misdemeanor, and, on conviction, be fined \$1000 for each offense. If any officer of any of the companies or associations mentioned in this article shall make any false statement in any report herein required, he shall be deemed guilty of perjury, and, on conviction, be punished accordingly." Sec. 4. "The Franklin Circuit Court shall have jurisdiction of all prosecutions under this article." Sec. 5. "The Auditor of Public Accounts may, by action, sue for and recover, in the name of the Commonwealth of Kentucky, all taxes due the State under this article, and the Franklin Circuit Court shall have jurisdiction of such action." In addition to the 2 per cent tax on premiums, companies pay $\frac{1}{2}$ per cent for expenses of State Insurance Board and $\frac{1}{2}$ per cent for expenses of Fire Marshal. Other State mutual companies, under law of 1916, Sec. 22a, pay 2 per cent on taxable premiums into State Treasury by March 1; also 1 per cent tax, covering $\frac{1}{2}$ per cent for expenses of State Insurance Board and $\frac{1}{2}$ per cent for expenses of State Fire Marshal. Taxable premiums are deposit premiums in force during year, less unabsorbed portion on basis of return actually made on policies expiring during year. Inter-insurance exchange pays similar taxes (2 per cent and

1 per cent) on premiums or deposits, less amounts returned or credited to subscribers.

VALUED POLICY—Sec. 700. "That insurance companies that take fire or storm risks on real property in this Commonwealth shall, on all policies issued after this act takes effect (in case of total loss thereof by fire or storm), be liable for the full estimated value of the property insured, as the value thereof is fixed in the face of the policy; and in cases of partial loss of the property insured, the liability of the company shall not exceed the actual loss of the party insured; provided, that the estimated value of the property insured may be diminished to the extent of any depreciation in the value of the property occurring between the dates of the policy and the loss; and, provided, further, that the insured shall be liable for any fraud he may practice in fixing the value of the property, if the company be misled thereby. Provided, that the provisions of this section shall not be applicable to policies containing the co-insurance clause as authorized herein. * * *"
See "Anti-Coinsurance."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

ADAIRVILLE—For each company, \$3, payable January 1.

AUBURN—For each company, \$5, payable January 1.

AUGUSTA—For each company, \$5.50, payable March 1.

BARDSTOWN—For each company, \$5, payable from date commencing business.

BEREA—For each company, \$5.50, payable upon commencing business.

BLOOMFIELD—For each company, \$5.

BOWLING GREEN—For each company, \$25.50, payable May 1.

BURGIN—For each company, \$10 per annum.

CAMPBELLSVILLE—For each company, \$15, upon commencing business.

CARLISLE—For each company, \$10, payable January 1.

CARROLLTON—For each company, \$15; for each agent, \$5, payable June 1.

CLINTON—For each company, \$10.50; licenses expire March 10; tornado, \$5.50 additional.

COLUMBIA—For each agent, \$5 for first company represented, and \$1 for each additional company represented.

CORBIN—For each agency, \$2.50, payable annually.

COVINGTON—For each company, one and one-half per cent on gross premiums of calendar year, payable January 1.

CYNTHIANA—For each company, \$15, payable January 1.

DANVILLE—For each company, \$10, payable June 1.

DAYTON—For each agent, \$5, payable May 1.

DOVER—For each company, \$5, payable January 1.

ELKTON—For each company, \$8.50, payable annually.

- EMINENCE—For each company, \$10, payable January 1.
FALMOUTH—For each company, \$10, payable annually.
FLEMINGSBURG—For each company, \$20.25, payable January 1.
FRANKFORT—For each company, \$35; for each agent, \$10; payable May 1.
FRANKLIN—For each company, \$11, payable January 1.
FULTON—For each company, \$5.25.
GEORGETOWN—For each company, \$12.75, payable January 1.
GLASGOW—For each company, \$9.65, payable May 15.
GREENVILLE—For each company, \$5.75; for each agent, \$5.75, payable on commencing business.
GUTHRIE—For each agent, \$10 per annum, payable from date of issue.
HARRODSBURG—For each company, \$10, payable January 1.
HENDERSON—For each company, \$10, payable May 1.
HICKMAN—For each company, \$15.50, payable annually, semi or quarterly.
HOPKINSVILLE—For each company, \$15, payable May 1.
JUNCTION CITY—For each company, \$5.25; payable in advance.
LANCASTER—For each company, \$5.25, payable January 1.
LA GRANGE—One per cent of premiums, payable May 1.
LAWRENCEBURG—For each company, \$5, payable July 1.
LEBANON—For each company, \$10, payable upon commencing business.
LEBANON JUNCTION—For each company, \$5 annually.
LEXINGTON—On gross receipts, \$1000 or less, each company, \$25; \$1000-\$2000, \$50; \$2000-\$4000, \$100; \$4000-\$6000, \$150; \$6000-\$10,000 \$200; over \$10,000, \$250; payable March 1. For original license, \$25.
LIVERMORE—For each company, \$10, payable July 1.
LONDON—For each company, \$5, payable annually January 1.
LOUISVILLE—For each company, 2½ per cent of premiums, payable February 1; to Sinking Fund. First year, \$50 (or pro rata to January 1). Salvage corps, average assessment, 2 per cent. Insurance adjuster, \$125 per year; insurance solicitor, \$10.
MADISONVILLE—For each company, \$8.25.
MAYFIELD—For each company (regardless of number of agents), \$10.50.
MAYSVILLE—For each company, \$10.50, payable December 1.
MIDDLESBORO—For each company, \$10, payable May 1.
MIDWAY—For each company, \$5, payable January 1.
MILLERSBURG—For each company, \$5, payable January 1.
MOUNT STERLING—For each company, \$25; for each agent, \$25 (clerk fee, \$1), payable January 1.
MURRAY—For each company, \$7.50, payable April 1.
NEW CASTLE—For each company, \$2.50, payable upon commencing business.
NEWPORT—Two and one-half per cent on gross premiums, in advance, based on previous year's business, payable May 1 (minimum, \$25).
NICHOLASVILLE—For each agent, \$6, payable March 1.
OWENSBORO—On receipts, \$1000 or less, \$10; \$1000-\$2000, \$15; \$2000-

\$3000, \$25; over \$3000, \$35, payable May 1; for each agent writing farm risks, \$10.

OWINGSVILLE—For each agent, \$5, payable January 1.

PADUCAH—For each company, 1 per cent on net premiums, minimum, \$15, payable annually in January.

PARIS—For each agent, \$15, payable May 1.

PRINCETON—For each company, \$15.50, payable July 1.

RICHMOND—For each company, \$15, payable July 1.

RUSSELLVILLE—For each company, \$21, payable as licenses expire.

SCOTTSVILLE—For each company, \$10, payable July 1.

SHELBYVILLE—For each company, \$15, payable July 1.

SPRINGFIELD—For each company, \$5, payable April 1.

STANFORD—For each company, \$10, payable when applied for.

VERSAILLES—For each company, \$10.25, payable February 1.

WINCHESTER—For each company, \$20.50, payable May 1.

LOUISIANA.

STATE REQUIREMENTS.

AGENTS DEFINED—Act 105 of 1898. Sec. 23 of Article III. "Any person who solicits insurance for a consideration on behalf of any insurance company, or transmits for a person other than himself an application for, or a policy of insurance to, or from, such company, or offers or assumes to act in the negotiation of such insurance, shall be deemed an insurance agent within the intent of this act, should he receive from the company any compensation whatsoever, either for himself or for any other person, partnership or corporation, and shall thereby become liable to all the duties, requisitions, liabilities and penalties to which an agent of such company is subject."

AGENTS' LICENSES—Act. 167, Laws of 1902, Sec. 4. "* * * That no person shall act as agent, solicitor or representative of any insurance company, corporation or association, partnership or combination of persons incorporated, organized, associated or combined by virtue of the laws of this State or any other State of the United States or any foreign country, directly or indirectly taking risks or transacting any kind or form of insurance business in this State without being provided with a certificate of authority from the Secretary of State showing him to be duly authorized to act as such agent, representative or solicitor of duly authorized company, corporation or association." Penalty for acting as agent without procuring certificate of authority, or acting as agent after certificate of authority has been revoked, a fine of not less than \$100 nor more than \$300, or imprisonment for not less than thirty days, nor more than ninety days upon conviction before a court of competent jurisdiction. Certificate shall continue in force until the thirty-first day of March next after its issue, unless revoked for cause. It is held that an agent must hold a certificate for each and every company in which he places a risk. An agency corporation is licensed as a firm, and a certificate is not needed for each officer or member of said firm. Applications for licenses must be made by company officers, under seal, by March 31 of each year.

ANNUAL STATEMENTS—Must be filed by February 28. See "Publication." Penalty for false advertisement of financial condition, \$100 for first offense; \$300 for each subsequent offense; for making false reports or entries with intent to deceive, imprisonment for from one to three years. These statements, the tax statement and anti-compact affidavits are the only documents required annually.

ANTI-COINSURANCE—An anti-coinsurance law passed in 1908 prohibits absolutely the use of the coinsurance or any similar clause in policies on immovable property, but specially permits its use in policies on movable property, requiring, however, that any policy containing such clause shall have stamped upon its face and back a statement to the effect that "this

policy is issued subject to the conditions of the coinsurance clause attached hereto."

ANTI-COMPACT—Act 224 of 1912, Sec. 1. "It shall be unlawful for any fire insurance company, association or partnership, doing a fire insurance business in this State, to enter into any combination or compact with other fire insurance companies, associations or partnerships, or to require or to allow their agents to enter into any combinations or compact with other fire insurance agents, companies, associations or partnerships for the purpose of governing, controlling or influencing the rates charged for insurance on property situated in this State." Companies may employ a common agent to "supervise and advise of defective structures or to suggest improvements to lessen fire hazards," but the purchase of rate books is deemed a violation of law. Affidavit of compliance must be filed annually before December 1. Penalty for violation, revocation of license for balance of its term and for one year thereafter. Premiums received after such revocation must be returned. A law permitting a fire prevention bureau was passed in 1904. This makes it lawful for the bureau to indicate on its advisory inspection reports the "basis cost of the risk to be assumed," etc. Foreign companies are forbidden to enter into agreements relative to the compensation of their agents.

ANTI-REBATE—Act 105 of 1898. Sec. 5 of Article III. "The payment of any commission, brokerage or rebate on any business to any but the authorized agent or representatives of any company legally authorized to do business in this State is expressly prohibited. Any violation of this section will be punished by a fine of not less than \$100 nor more than \$250 for each separate offense." The Kaliski bill, which became a law in 1908, authorizes Louisiana agents to divide commissions with agents of other States.

ATTORNEY—The Secretary of State must be authorized to accept service of legal process.

CANCELLATION OF POLICY—The standard policy requires five days' notice to insured.

CAPITAL REQUIRED—Stock companies must possess a paid-up capital of not less than \$200,000. Mutual companies must have cash assets equal to \$200,000.

COMMISSIONS TO NON-RESIDENTS—Commissions must be paid to resident agents; but agents may divide their commissions with duly authorized agents in other States.

DEPOSIT—Each company must deposit an individual or surety bond for \$20,000 for the protection of Louisiana policyholders. Foreign companies must have \$200,000 deposited in Louisiana or some other State. (No requirement as to nature of investments.)

DOMESTIC COMPANIES—Any number of persons, not less than fifteen, citizens of the United States and residents of this State, may form an insurance company on the stock plan, to insure fire, marine and river risks. A capital of \$200,000 must be subscribed and fifty per cent of same paid

in before commencement of business, and the whole capital must be paid in within one year from date of charter. Copy of charter must be filed, and company must be examined before it is licensed. No dividends shall be declared except from surplus profits, under penalty of \$1000.

EXAMINATIONS—Act 105 of 1898. Sec. 14 of Article I. "As often as once in every three years, or oftener, if in the judgment of the Secretary of State there should arise a necessity, the Secretary of State may personally, or by his assistant, or by one or more competent persons appointed by him, and who are not officers of, or connected with, or interested in any insurance corporation doing business in this State, other than as policyholders, visit each insurance company organized under the laws of this State, and thoroughly inspect and examine its affairs, especially as to its financial condition and ability to fulfil its obligations, and whether it has complied with the laws. He may also make an examination of any such company whenever he deems it prudent to do so upon the request of five or more of its stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. For the purposes aforesaid, the Secretary of State or his assistant, or the person or persons employed as aforesaid, making the examination, shall have free access to all the books and papers of an insurance company that relates to its business, and to the books and papers kept by any of its agents, and may summon and qualify as witnesses, under oath, and examine the directors, officers, agents and trustees of any such company, and any other person or persons, in relation to its affairs, transactions and conditions. If, after such an examination, he is of the opinion that the company is insolvent, or has exceeded its powers, or that its condition is such as to render its further proceedings dangerous, he shall at once call upon the board of directors to take such steps as may be necessary to restore the company to a solvent condition." Penalty for refusing to permit an examination, revocation of license.

FEES—"For each and every certificate to any instrument of writing, or otherwise, where the seal of his office is affixed, one (\$1) dollar. For recording, or copying, twenty-five (25) cents per hundred words. For examination of charter of domestic company, twenty-five (\$25) dollars. For each and every certificate of authority or compliance to a company or association, ten (\$10) dollars; for each agent's certificate (a firm being considered as one), two (\$2) dollars; filing annual statement, fifteen (\$15) dollars; filing any additional paper required by law, twenty-five (25) cents. Every company organized under the laws of any other State and admitted to transact business in this State, and each agent of every such company, shall pay the same fees to the Secretary of State of this State as are imposed, or would be required, by such other State of any similar companies incorporated by, or organized under, the laws of this State, or upon the agents of any such companies transacting business in such other State. Foreign companies shall

pay fees the same as imposed on such companies by the State where its deposit of \$200,000 in the United States has been made." Companies bear cost of examinations by Secretary of State. Broker's license fee, \$20.

FIRE DEPARTMENT TAX—A tax of one per cent on premium receipts may be levied in protected cities, towns and villages.

FIRE MARSHAL—Investigation of fires is provided for, and a tax of one-half of one per cent is levied on gross premiums to defray fire marshal's expenses.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—For violations of law not specifically provided for, fine of \$100 to \$500.

IMPAIRMENT—Act 105 of 1898. Sec. 8 of Article I. "If it appears to the Secretary of State from any statement made to him, or from an examination made by him, or by any examiner appointed by him, that the capital stock of any insurance company organized under the laws of this State is impaired to the extent of twenty-five (25) per cent thereof, or that its assets are insufficient to justify its continuance in business, he shall determine the amount of such impairment or deficiency and issue a written requisition to the corporation to require its stockholders to make good the amount of the impairment, or deficiency, within such period as he may designate, not more than ninety (90) days from the service of such requisition. If the amount of any such impairment or deficiency shall not be made good within the time specified in such requisition the corporation shall be deemed insolvent, and may be proceeded against as an insolvent corporation by the Secretary of State."

INSURANCE IN UNAUTHORIZED COMPANIES—Act 105 of 1898. Sec. 20 of Article III. "* * * The Secretary of State, upon the annual payment of \$20, may issue to any person, corporation, or partnership having property in this State, a certificate of authority, subject to revocation at any time, permitting the person, corporation, or partnership named therein, to procure policies of insurance on property, his own or their own, located in this State in companies which are not authorized to do business in this State. Whenever a person, corporation or partnership holding such certificate of authority shall procure any insurance under, or by virtue of, such certificate of authority, within thirty days from the date of applying for same, the said person, corporation or partnership shall report same to the Secretary of State with an affidavit setting forth that after diligent effort such person, corporation or partnership was unable to procure at current rates the full amount required to protect the property owned by such person, corporation or partnership from the insurance companies duly authorized to transact business in this State. And that such person, corporation or partnership has placed with companies not authorized to do business in this State only the amount necessary to complete the sum of insurance required

to protect the property after securing all of the insurance obtainable at current rates from companies authorized to do business in this State. Each person, corporation or partnership holding such certificate of authority shall file in January of each year a sworn statement giving the names of companies in which such outside insurance has been placed, the number, the amount, and the expiration of each policy, and the gross premium charged therefor, and he shall pay a tax upon such gross premium (less return premium) of three per centum. All insurance policies issued on property located in this State by companies that have not complied with the requirements of the general insurance laws of the State shall be void, except such as shall have been secured as herein set forth. Insurance companies authorized to do business in this State, may effect reinsurance in companies not authorized to do business in this State on the same terms and conditions as are set forth in this section relating to owners of property. Any person, corporation, partnership or company applying for authority under this section shall execute and deliver to the Secretary of State a bond for such amount as the Secretary of State shall fix with such securities as he shall approve of to guarantee the faithful observance of the provisions of this law. Should any company neglect or refuse to comply with the provisions of this section, it shall be the duty of the Secretary of State to revoke its license to do business in this State."

INVESTMENTS PRESCRIBED—Domestic companies may invest their capital in bonds of the United States or of Louisiana, or in the legally authorized bonds of any levee or other board in Louisiana, or in the bonds of any city in Louisiana of more than 5000 inhabitants, or in the stock of any banking or other corporation organized under the laws of Louisiana, or of the United States, provided that such stock shall be at a premium, or in first mortgages on real estate located in Louisiana, the market value of which shall be at least double the amount loaned thereon. No company may hold more than one-fourth of the capital stock of any corporation, nor shall it lend more than forty per cent of the sum of its capital on mortgages of real estate, nor more than five per cent of the sum of its capital in one mortgage. No domestic company may deal or trade in buying or selling goods, wares or merchandise except articles insured by it on which losses are claimed, and except in replacing, rebuilding or repairing insured property, as provided in its policies, nor discount commercial or other than first mortgage paper, nor engage in any banking business whatsoever. A domestic company may hold and convey real estate for the convenient accommodation of its business to the extent of twenty-five per cent of its capital and net surplus, but all other real estate acquired in the course of business shall be sold and disposed of within five years after it shall have acquired title to same, but in the event of its interests suffering materially on account of such forced sale the time may be extended by procuring a certificate from the Secretary of State, and in case a company does marine or inland marine business it may also acquire and hold such real property within Louisiana.

or upon or in its waters, which is and may be adapted to, or available for use in protecting, storing or caring for such vessels and appliances as are or may be employed for assisting the same, and may manage and dispose of such real property as if it were an incorporate owner thereof. Domestic companies may also invest in homestead securities.

LICENSED BROKERS—A law passed in 1914 provides for the licensing of fire insurance brokers. (See "Insurance in Unauthorized Companies.")

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital and net surplus.

LLOYDS—Lloyds associations may be authorized to transact marine insurance but must deposit \$100,000 in cash or securities with any bank or trust company of the United States, approved by the Secretary of State of Louisiana; must file a statement; present evidences of responsibility of underwriters and show that the organization does not write more than one-fifth of the aggregate of the subscription of the several underwriters or the amount to which they may become liable on any one risk.

MISCELLANEOUS.—Companies must furnish blanks for proof of loss. Penalty is provided for not paying a loss within 60 days after receipt of proof of loss. See "Standard Policy." The payment to an adjuster of any compensation in excess of a regular salary or stipend is prohibited. Classification of premiums and losses in the State must be filed yearly, on forms supplied by the Secretary of State. Annual reports of business by classes of risks are required, by law of 1914, to be filed by March 1.

MUTUAL COMPANIES—Sec. 16. "Every mutual company organized upon the mutual plan shall exhibit to the Secretary of State satisfactory evidence that it has entered into a bona fide agreement with a number of persons for insurance, the premiums on which insurance shall amount to not less than twenty-five thousand (\$25,000.00) dollars, of which not less than ten thousand (\$10,000.00) dollars shall have been paid in cash, and notes of solvent parties secured by ample collaterals shall have been received for the remainder. No company organized on the mutual plan shall transact any more than one kind of business."

PRELIMINARY DOCUMENTS—Each corporation shall file with the Secretary of State a copy of its sworn financial statement; a duly certified copy of charter; a copy of one newspaper wherein said charter shall have been published, together with affidavit from publisher; certified copy of any amendments to charter; copy of minutes of any and all meetings of stockholders or directors, signed and attested to by secretary, during which the amendments were made; any and all agreements for the consolidation of corporations, together with copies from the minutes of any meetings of stockholders or directors authorizing or pertaining to the consolidation, dissolution or liquidation, duly signed and acknowledged; agreement to abide by the laws of the State; appointment of an agent in the State, for the transaction of business, who will be responsible for the State license tax. Certificate of compliance with laws of company's home State must be filed annually with

annual statement; power of attorney to Secretary of State, and copy of charter, need be filed but once.

PUBLICATION—Sec. 1875, R. S., provides that every person acting as agent of an insurance company, and doing fire, marine or river insurance within the city of New Orleans shall, during the month of January of each year, cause a full statement, under oath, of the business of the agency, to be published in the manner and form and for the term as specified in the preceding section; and for the neglect and refusal so to do, shall forfeit and pay into the city treasury the sum of \$1000 for each and every neglect or refusal. Whenever the parent or principal office of the agency shall publish an annual statement of its affairs, the time mentioned in the first part of this section for the publication of the affairs of the agency shall be so far changed as to correspond with the annual statement of the insurance company, and shall then be published, as aforesaid, within one month from the date of the publication. The report on an examination may be published if the secretary deems it to be for the public interest. Abstracts must be published, for at least thirty days, in two newspapers, showing the business done in Louisiana. Companies doing business in New Orleans must publish their statements in two or more New Orleans daily newspapers. No charge is fixed by law for such publication, which must be attended to by the companies. Domestic companies must publish their statements in the same manner, and must so publish amounts of premiums and losses, capital and investments written one month from close of fiscal year and for a term of at least one month. Publications are to be made in the English language only.

RECIPROCAL LAW—Act 105 of 1898, Art. II., Sec. 12. "When, by the laws of any other State, any taxes, fines, penalties, licenses, deposits or other obligations or prohibitions, additional to or in excess of those imposed by the laws of this State upon companies organized under the laws of other States, and their agents, or imposed on insurance companies of this State, and their agents, doing business in such State, the same taxes, fines, penalties, licenses, deposits and other obligations or prohibitions shall be imposed upon all insurance companies of such States, and their agents, doing business in this State, as long as such laws remain in force. Every company organized under the laws of any other State and admitted to transact business in this State, and each agent of every company, shall pay the same fees to the Secretary of State as such other State may require of any similar companies incorporated by or organized under the laws of this State, or upon the agents of any such companies transacting business in such other State."

REINSURANCE—Act 105 of 1898. Sec. 20 of Article III. "Every insurance company doing business in this State may reinsure the whole or any part of any policy obligation, in any other insurance company authorized to do business in this State. The Secretary of State shall require every year from every insurance company doing business in this State,

a certificate, sworn to before a commissioner of deeds for the State of Louisiana, to the effect that no part of the business written by such company in this State has been reinsured in whole or in part by any company, corporation, association or society not authorized to do business in this State, except as hereinafter provided. This certificate shall also contain a list of all the reinsurances during the year in authorized companies, showing the name and amount effected in each company." Reinsurance policies need not be countersigned by resident agents.

REINSURANCE RESERVE—The reserve for reinsurance must be maintained on policies written for one year or less, at one-half of the net premium; policies written for two years, three-fourths of the premium reserved for the first year and one-fourth for the second year; three-year policies, first year five-sixths of the net premium, second year one-half the net premium, third year one-sixth the net premium; policies written for a term of four years, first year seven-eighths, second year five-eighths, third year three-eighths, fourth year one-eighth of the net premium; policies written for five years, first year nine-tenths, second year seven-tenths, third year one-half, fourth year three-tenths, fifth year one-tenth of the net premium.

RESIDENT AGENTS—Act 167, Laws of 1902. Sec. 1. "* * * That any insurance company, corporation or association authorized to do business in this State, is hereby prohibited from authorizing or allowing any person, agent, firm or corporation, who is a non-resident of the State of Louisiana, to issue, or cause to be issued, any policy or policies, or contracts of insurance, or cover on any risk or property located in the State. * * *" Sec. 2. "* * * That any person, agent, firm or corporation authorized by the Secretary of State to act as an agent, solicitor or representative of any insurance company, corporation or association in the State of Louisiana, is hereby prohibited from paying directly or indirectly any commission, compensation, brokerage or other valuable consideration on account of any policy, policies or forms of contract covering on property located in the State of Louisiana * * * to any person, agent, firm, solicitor or representative not duly authorized by a certificate from the Secretary of State to act as such agent, solicitor or representative for a company, corporation or association duly authorized to do business in the State of Louisiana." The Secretary of State may revoke the certificate of authority of any person, agent, firm or corporation or association who, upon examination, may be found guilty of violating the above act." Law of 1916, Act 218, Sec. 1. "* * * That all contracts or policies of fire, steam boiler, casualty, automobile, workmen's compensation, health or burglary insurance, surety bonds, bonds guaranteeing the fidelity of persons holding offices of public or private trust, or bonds guaranteeing the performance of contracts or assuming in whole or in part the public liability of a common carrier, on risks or property located in the State of Louisiana, or in connection with any business conducted or operated within the State of Louisiana, which policies, contracts or undertakings may be

issued or entered into by companies, corporations or associations authorized to do business in Louisiana shall be issued or countersigned by a duly authorized representative who is a bona fide resident of the State, duly commissioned and licensed by the Secretary of State, and such duly authorized representative shall receive on each policy, contract, bond or undertaking the full usual commission allowed and paid by such companies, corporations or associations to their agents on business written or transacted for them; provided, however, that this section shall not apply to policies of reinsurance nor to policies covering on the rolling stock of railroad companies doing a general freight and passenger business; and provided further, that this section shall not apply to fraternal insurance organizations, nor to policies of life or endowment insurance which include revisions for the waiver of premiums or for other benefits in event of accident or disability." Penalty for each violation, \$500 to \$1,000. Sec. II. "Be it further enacted, etc., That it shall be the duty of the Secretary of State to require each company, corporation or association applying for authority or the renewal of authority to do business in the State to file with him prior to the first of March in each year an affidavit that it has strictly complied with the provisions of the act, and the Secretary of State shall decline to issue any certificate of authority to do business in this State to any company, corporation or association which shall fail to furnish said affidavit that it has complied with the provisions of this act. Affidavit that no Louisiana business has been written, except by resident agents, must be filed annually by March 1. Reinsurance company must have one resident agent to be responsible for State license. Act of July 8, 1908. Sec. 1. "That it shall be lawful for any duly authorized agent or solicitor of an insurance company, which has complied with the laws of this State, to divide his commissions or compensations from the premiums collected on policies, or other forms of contracts of insurance, covering on property located in the State of Louisiana, with any agent or solicitor who has been duly authorized under the laws of other States to act as agent or solicitor in such other States; provided that nothing herein shall be construed so as to permit companies to write business except through the duly authorized resident agents of this State." Sec. 8 of Act 171 of 1898 provides that, "Whenever any company negotiating insurance effects a reinsurance of any part thereof, otherwise than through licensed resident agents, the entire tax thereon shall be paid by the original insuring company and the tax collector shall make no deduction on account of such reinsurance."

RETURN OF PREMIUMS—Sec. 15. "Upon the adjustment and settlement of a loss under a policy of fire insurance, the assured shall be entitled to recover, in addition to the sum of the loss agreed upon, the return of the premium paid under the said specific policy on the excess between the sum of the amount insured and the sum of the amount ascertained to be due, with legal interest from the date of the payment of the premiums."

SEMI-ANNUAL STATEMENTS—Not required.

SPRINKLER INSURANCE—Act 105 of 1898. Sec. 13 of Article I. "All insurance companies authorized to transact fire insurance business in this State may, in addition to the business which they are now authorized by law to do, insure sprinklers, pumps and other apparatus for extinguishing fires, against damage; loss or injury resulting from accidental causes, other than fire; and may also insure any property which such companies are authorized to insure against loss or damage by fire, against damage, loss or injury by water or otherwise, resulting from the accidental breaking of, or injury to, such sprinklers, pumps or other apparatus, arising from causes other than fire. Contracts of insurance of the kind provided for in this paragraph shall not be incorporated in any contract of insurance against loss or damage by fire, but shall be contained in separate and distinct policies."

STANDARD POLICY—What is practically the New York standard policy form is required to be used, but any breach of contract only operates to suspend the policy while such breach continues. A department ruling requires the following clause to be stamped upon each policy: "This contract of insurance is subject to be governed in all its parts by the provisions, terms, condition and stipulation of Act 135 of 1900, of Louisiana." A copy of the act of 1908 relating to furnishing blanks for proof of loss, etc., must be furnished to the insured, and is considered as a part of the contract. If policy becomes void because of ten days' absence from insured premises a law of 1914 provides that it shall again become effective on return of the insured.

TAXES—Act 171 of 1898. Sec. 9. "That each and every fire, marine and river insurance, guarantee, surety and indemnity company, society, corporation, association, or other organization or firm, or individual, shall pay a separate and distinct license on said business for each company represented, and said license shall be based on the gross annual amount of premiums on all risks located in this State and upon risks located in other States or foreign countries, upon which no license has been paid therein, as follows, to wit: First class—when said premiums are \$300,000, the license shall be \$4500; 2d class—premiums \$280,000 or less than \$300,000, license \$4200; 3d class—premiums \$270,000 and less than \$280,000, license \$4050; 4th class—premiums \$260,000 and less than \$270,000, license \$3900; 5th class—premiums \$250,000 and less than \$260,000, license \$3750; 6th class—premiums \$240,000 and less than \$250,000, license \$3600; 7th class—premiums \$230,000 and less than \$240,000, license \$3450; 8th class—premiums \$220,000 and less than \$230,000, license \$3300; 9th class—premiums \$210,000 and less than \$220,000, license \$3150; 10th class—premiums \$200,000 and less than \$210,000, license \$3000; 11th class—premiums \$190,000 and less than

\$200,000, license \$2850; 12th class—premiums \$180,000 and less than \$190,000, license \$2700; 13th class—premiums \$170,000 and less than \$180,000, license \$2550; 14th class—premiums \$160,000 and less than \$170,000, license \$2400; 15th class—premiums \$150,000 and less than \$160,000, license \$2250; 16th class—premiums \$140,000 and less than \$150,000, license \$2100; 17th class—premiums \$130,000 and less than \$140,000, license \$1950; 18th class—premiums \$120,000 and less than \$130,000, license \$1800; 19th class—premiums \$110,000 and less than \$120,000, license \$1650; 20th class—premiums \$100,000 and less than \$110,000, license \$1500; 21st class—premiums \$90,000 and less than \$100,000, license \$1350; 22d class—premiums \$80,000 and less than \$90,000, license \$1200; 23d class—premiums \$70,000 and less than \$80,000, license \$1050; 24th class—premiums \$60,000 and less than \$70,000, license \$900; 25th class—premiums \$50,000 and less than \$60,000, license \$750; 26th class—premiums \$40,000 and less than \$50,000, license \$600; 27th class—premiums \$30,000 and less than \$40,000, license \$450; 28th class—premiums \$20,000 and less than \$30,000, license \$300; 29th class—premiums \$15,000 and less than \$20,000, license \$225; 30th class—premiums \$15,000 or less, license \$150.” Return premiums and reinsurances in authorized companies may be deducted. For companies entering the State between January and July the license is computed upon the business done during the first two months, multiplied by six. Companies entering after July pay half-yearly license. Every municipal corporation in the State, where an agent is domiciled, has the right to demand the same amount of license as the State, but the city of New Orleans is the only municipal corporation that demands it. Sec. 30. “The State tax collectors authorized to collect licenses from insurance companies, corporations, associations or societies, in this State, shall require from each insurance company, corporation, association or society applying for license, a certificate from the Secretary of State, showing that such company, corporation, association or society has, in all respects, complied with the laws of the State, and is legally authorized to be licensed to do business in this State.” The license tax is payable before March 1, annually, to the State tax collector in the county in which the company’s agent has his domicile. Under act 170, of 1898, all insurance companies are assessed directly upon all property owned by them in this State, except where six months’ prior and continuous ownership can be shown in any holdings of national, State or municipal bonds, or stocks in any corporation whatever; in such case, such holdings are deducted from their assets or assessable property. The State tax on such property is six mills on the dollar. A tax not exceeding one-half of one per cent on gross premiums less return premiums and reinsurances in authorized companies is imposed to defray fire marshal’s and State Insurance Rating Board’s expenses. This is also payable to the State tax collector, with annual license fees.

TAX STATEMENTS—Must be filed on or before February 28.

VALUED POLICY—Act 135 of 1900, Sec. 2. "That whenever any policy of insurance against loss by fire, is hereafter written or renewed on property situated in this State, and the said property shall be totally destroyed without criminal fault upon the part of the insured or his assigns, the full amount of the insurance on the property so destroyed shall be paid by the insurer, and that when the said property shall be partially damaged, without criminal fault on the part of the insured or his assigns, the insurer shall pay to the insured such amount as will permit the insured to restore the damaged property to its original condition, provided that nothing herein shall be so construed as to prevent the insurer from replacing property partially damaged or totally destroyed at his own expense and without contribution on the part of the insured." Valued Policy law relates to immovable property only (including sugar-house machinery).

COUNTY TAXES AND FEES.

JEFF DAVIS—For each company, \$5, payable March 1.

LINCOLN PARISH—For each company, \$10.

RAPIDES PARISH—For each company, \$5.

TANGIPAHOA PARISH—For each company, \$5, payable April 1.

ST. MARY PARISH—For each agent, \$5, payable in January.

MUNICIPAL TAXES AND FEES.

ABBEVILLE—For each company, on premiums of \$15,000 or more, \$30; for less than \$15,000, \$15.

ALEXANDRIA—For each company, graded according to premiums, ranging from \$40 for \$2000 or less up to \$200 for \$15,000 or more of premiums; payable March 1.

AMITE—For each agent, \$5, payable April 1.

BATON ROUGE—For each company, on receipts, less than \$2500, \$10; \$2500-\$5000, \$15; \$5000 or more, \$25, payable March 1.

BAYOU SARA—For each company, \$5.

BOGALUSA—For each company, same as State tax based on premiums, usually averaging \$10, payable January 1.

CLINTON—For each company, \$5, payable in January.

CROWLEY—For each company, \$15, payable January 1.

DONALDSONVILLE—For each company on premiums of \$20,000 or more, \$75; \$10,000 to \$20,000, \$30; less than \$10,000, \$15; agent for each company on premiums of \$15,000 or more, \$30; less than \$15,000, \$15.

EUNICE—For each agent, \$4, payable in January.

FRANKLIN—For each company, \$5 to \$10, based on premiums, payable March 1.

HOUMA—For each company, \$10, payable March 1.

JEANERETTE—For each company, \$10 annually, payable January 1.

JENNINGS—Tax on company, \$25 up to \$2,500 in premiums, payable January 1.

LAFAYETTE—For each company, \$25, payable before March 1.

LAKE CHARLES—For each company, on premiums of \$2500 or less, \$25; \$2500 to \$5000, \$50; \$5,000 to \$10,000, \$100; \$10,000 or over, \$150; delinquent, January 1.

LAKE PROVIDENCE—For each company, \$4.95, payable January 1.

LE COMPTE—For each company on premiums of \$15,000 or more, \$50; \$10,000 to \$15,000, \$25; \$5000 to \$10,000, \$15; \$500 or less, \$10; payable March 1. (In 1910, clerk said: "\$5 to \$50.")

LEESVILLE PARISH—For each company, \$10 for premiums of \$15,000 or less; \$20 for \$15,000 to \$20,000; \$30 for \$20,000 to \$30,000; \$40 for \$30,000 to \$40,000; \$50 for \$40,000 to \$50,000.

MANSFIELD—For each company, \$1; for each agent, \$10; payable by March 1.

MONROE—For each company, on gross premium receipts, as follows: Premiums less than \$500, \$25; \$500 to \$1000, \$37.50; \$1000 to \$1500, \$50; \$1500 to \$2000, \$65; \$2000 to \$2500, \$75; \$2500 to \$3000, \$100; \$3000 to \$4000, \$137.50; over \$4000 of premiums, \$150; no license issued for less than \$25; payable on or before March 1.

MORGAN CITY—For each company and agent, \$4.90, payable February 28.

NAPOLEONVILLE—For each agent, \$25.

NATCHICOCHES—For each company, \$10, payable in February.

NEW IBERIA—For each company, on premiums of \$5000 to \$15,000, \$75; \$1000 to \$5000, \$35; less than \$1000, \$20; based on "gross amount of premiums on all risks located within this city and upon risks located in other parishes and cities of this State upon which no license has been paid therein." No license issued for less than \$15.

NEW ORLEANS—Same as State license tax. (See "Taxes.") Fire Patrol, 2 per cent on net premiums within city limits, except in Algiers and West End. Also a personal tax on property.

OPELOUSAS—For each company, \$5, payable annually, January 1.

PATTERSON—For each company, minimum for premiums of \$1000 or less, \$5.

RAYNE—For each company, \$5.

RUSTON—For each company, \$10 for gross premiums of \$1000 or less; \$15 for \$1000 to \$2000; \$20 for \$2000 to \$3000; \$40 for \$3000 to \$5000; \$50 for over \$5000.

ST. FRANCISVILLE—For each company, \$5, payable March 2.

SHREVEPORT—For each company, when annual premiums are under \$3,000, \$75 ; \$3,000 or more, under \$4,000, \$90 ; \$4,000 or more, under \$5,000, \$115 ; \$5,000 or more, under \$6,000, \$140 ; \$6,000 or more, under \$15,000, \$150 ; \$15,000 or more, \$225.

SLIDELL—For each company, \$5, payable March 1.

VIDALIA—For each company, \$2.50.

WELSH—For each company, \$5, payable annually, January 1.

WHITECASTLE—For each company, \$5.

WINNFIELD—For each company, \$5, payable January 10. (Clerk advises this law is "not in effect.")

MAINE.

STATE REQUIREMENTS.

AGENTS DEFINED—Chap. 49, Sec. 22. "An agent authorized by an insurance company, whose name is borne on the policy, is its agent in all matters of insurance." Agent's knowledge of facts concerning a risk is binding on the company.

AGENTS' LICENSES—Agents must procure licenses, which expire on July 1, annually, from the Commissioner. Applications for licenses must be made by company officers, or by some person authorized to appoint and remove agents in Maine, by power of attorney filed with Insurance Department. Licenses issued to firms and corporations to act as agent of duly authorized insurance companies.

ANNUAL STATEMENTS—Must be filed on or before January 31. Time may be extended until February 15, by application to Insurance Commissioner. These and tax statements are only ones required annually.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—Rebating is prohibited.

ATTORNEY—Insurance Commissioner must be appointed to accept service of process. Service on any agent is also binding.

CANCELLATION OF POLICY—Extract from Standard Policy: "This policy may be canceled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks." Law of 1915 (Chap. 35) provides that following shall be printed on the margin of the policy, near the part relating to cancellation, in type not smaller than long primer, or attached as a rider. "If the premium on this policy has not been paid to the company or its agent, or to the duly licensed insurance broker through whom the contract of insurance was negotiated, this policy may be canceled by the company in the manner herein provided without tendering to the assured any part of the premium."

CAPITAL REQUIRED—Chap. 49, Sec. 78. "No foreign fire or marine insurance company shall be admitted to do business in the State unless it has a bona fide, paid-up, unimpaired capital, if a stock company, of at least \$200,000, well invested in or secured by real estate, bonds, stocks or securities other than names alone, or if a mutual company, net cash assets to

the amount aforesaid," or if a mutual company doing fire insurance only, that it possesses net cash assets of not less than \$50,000, and contingent assets of not less than \$300,000, or net cash assets of not less than \$75,000, with contingent assets of not less than \$150,000, or net cash assets equal to its total liabilities, and contingent assets of not less than \$100,000, provided that such capital and assets (other than contingent) are well invested and immediately available for the payment of losses in this State, that it insures on any single hazard an amount no larger than one-tenth of its net assets, and that it has transacted business in its home State at least five years prior to date of applying for admission." Domestic companies must have capital of \$100,000.

COMMISSIONS TO NON-RESIDENTS—Non-residents may be licensed as agents or brokers to do business only with companies incorporated under the laws of Maine.

DEPOSIT—Companies of other countries must have \$200,000 on deposit with the authorities of one of the United States, and "may be in securities under the same restrictions as the investments of companies of other States." See "Capital Required."

DOMESTIC COMPANIES—Chap. 49, Sec. 41. "Any ten or more persons, residents of the State, associated by such an agreement in writing as is hereinafter described, with the intention of constituting a corporation for the transaction of insurance business shall, upon complying with Sec. 49, become and remain a corporation with all the powers, rights and privileges, and be subject to all the duties, liabilities and restrictions set forth in all the general laws relating to insurance corporations." Stock or mutual companies may be organized to insure against loss or damage to property and loss of use and occupancy by fire; explosion (fire ensuing or fire not ensuing,) except steam boiler and fly-wheel; water, or leakage of fire extinguishing apparatus; lightning or tempest and tornado on land; to insure vessels, freights, goods, money, effects and money lent on bottomry or respondentia, against the perils of the sea and other perils usually insured against by marine insurance companies, including risks of inland navigation and transportation; motor vehicles. Sec. 49. "The president, secretary and a majority of the directors shall forthwith make, sign and swear to a certificate setting forth a copy of the articles of association, with the names of the subscribers thereto, the date of the first meeting, and of any adjournment thereof, and shall submit such certificate and the records of the corporation to the inspection of the Insurance Commissioner, who shall examine the same, and may require such other evidence as he may deem necessary." Sec. 42. "Such agreement shall set forth the fact that the subscribers thereto associate themselves with the intention to constitute a corporation, the name by which it shall be known, the class or classes of insurance for the transaction of which it is to be constituted, the plan or principle upon which its business is to be conducted, the town or city in

which it is established or located, and if a stock company, the amount of its capital stock, and if a mutual company with a guarantee capital, the amount thereof. The capital stock of a stock company organized for any of the purposes hereinbefore mentioned shall not be less than \$100,000."

EXAMINATIONS—Chap. 49, Sec. 66. "He (the Commissioner) shall annually examine, or cause to be examined, every domestic stock insurance and mutual life insurance company, and biennially every domestic mutual fire insurance company, in order to ascertain its ability to meet its engagements and do a safe insurance business; and shall make such other examinations as he regards necessary for the safety of the public or the holders of policies. He may require the officers to produce for examination all books and papers of the company, and to answer, on oath, all questions propounded to them in relation to its condition and affairs; and any officer who refuses to produce any such book or papers upon his demand, or to be sworn, or to answer any such questions, forfeits not exceeding \$200." Sec. 85. "The Insurance Commissioner, whenever he deems it necessary for the protection of policyholders, shall visit and examine any insurance company, doing business by agencies in this State, but not incorporated therein. He may employ necessary assistants; all requisite expenses for such examination without the State shall be borne by the company so examined; provided, that in relation to the affairs of any company incorporated by or organized under the laws of any of the United States, it shall be optional with said Commissioner to accept the certificate of the Insurance Commissioner or Superintendent of the State where said company was organized, as to its standing and condition, or to proceed to investigate its affairs as hereinbefore provided." On any refusal on the part of a company, its officers or agents, to allow the examination of or free access to all the books and papers, its authority to do business in the State may be revoked.

FEES—License or admission fee to company and renewal of same July 1 of each year, \$20; license to each agent or renewal of same, \$2 (no charge for license for agent of domestic mutual fire company); firms, \$2 for each member; license to broker or renewal, \$10; license to special broker to place risk in unauthorized fire insurance companies, \$20; examination of insurance companies, actual expenses incurred; for receiving service of process, \$2; adjuster's license, \$2; the foregoing fees are payable to the Insurance Commissioner. Filing certificate of organization with Secretary of State, \$20. See "Reciprocal Law."

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—Chap. 28, Secs. 46-50, provide for the investigation of the causes of all fires by municipal authorities and the Insurance Commissioner.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTIES—For neglecting or refusing to comply with the laws, or violating provisions of Secs. 79 and 96, a foreign company's license is liable to revocation.

IMPAIRMENT—Chap. 49, Sec. 70. "Whenever, after setting aside a sum equal to the full amount of premiums on outstanding marine risks, together with one-half of all premiums on existing fire and inland risks, the net assets of any insurance company with a specific capital, do not amount to more than three-fourths of its capital stock, the company shall, by assessing the stock, restore its capital to the legal amount." The estates of the president or any of the directors of domestic stock companies permitting the issuance of policies after the company's losses are known to equal or exceed its capital shall be liable for any losses under such policies. Sec. 70 refers only to domestic companies.

INVESTMENTS PRESCRIBED—Companies incorporated in the State of Maine may invest a part or all of their funds in any of the following: Public funds of the United States or of the District of Columbia, or any of the New England States, or bonds of the cities, counties and towns of any of the New England States; public funds of the States of New York, Pennsylvania, Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska; bonds of cities and districts of 75,000 or more population in the States named; bonds of counties of 20,000 inhabitants or more in last named States; bonds of any city of 10,000 inhabitants or more in last named States; provided these two last named bonds are issued for municipal purposes (if net municipal indebtedness does not exceed five per cent of assessed valuation); bonds of any of the above described cities and counties issued to take up at maturity bonds that were legal and constitutional when issued, provided the interest has been fully paid on the original bonds for at least five years prior to such refunding; bonds and obligations of school district boards or other corporate bodies, within said cities authorized to issue bonds payable primarily from taxes levied on all the taxable property in such districts; bonds or obligations of any municipal or quasi municipal corporation of Maine, if secured by all taxable property of such corporation; railroad bonds of Maine, but not bonds of street railways, except those already constructed in this State shall be purchased, unless an amount of capital stock equal to thirty-three and one-third per cent of the mortgage debt shall have been paid in in cash; first mortgage bonds of any completed railroads in New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Ohio, Indiana Kentucky, Michigan, Wisconsin, Minnesota, Iowa, Illinois, Missouri, Kansas and Nebraska, but not bonds of street railroads unless thirty-three and one-third per cent of mortgage debt be paid in in cash; first mortgage bonds of the Central Pacific, Union Pacific and Northern Pacific Railroads; mortgage bonds and stocks of any railroad leased to any dividend-paying railroad in New England, upon terms guaranteeing the payment of a regular stated dividend upon the stocks of such leased road and the interest upon its bonds; mortgage bonds of any water company in this State and New Hampshire actually engaged in supplying water for domestic and fire protection to any city or cities,

town or towns, or any municipal corporation, whenever such corporation is making more than all its expenses; bonds and stocks of any corporation (other than railroad and water companies) incorporated under the authority of this State, paying regular dividends of not less than five per cent per annum; stock of any bank incorporated under the authority of the State, and stock of any bank or banking corporation under authority of the United States, if located within the New England States; stock of any railroad in Maine unincumbered by mortgage; stock of any dividend-paying railroad in New England; stock of any railroad leased to any dividend paying railroad in New England, upon terms guaranteeing the payment of a regular stated dividend upon the stock of such leased road and the interest upon its bonds; investments may be made not exceeding five per cent of deposits or reserve fund in real estate in the city or town in which located; loans may be made on first mortgages of real estate in this State and New Hampshire, to an amount not exceeding sixty per cent of its value; loans to any amount may be made on collateral of any stocks and bonds company is authorized by this statute to purchase, or on bank deposit books of any savings bank in this State; or on railroad stocks authorized to purchase, but not over seventy-five per cent of its value; or to municipalities in this State; or on personal property deemed safe by the trustees; or to corporations having real estate and doing business in this State. Companies may deposit on call in banks or banking associations incorporated under authority of the United States and receive interest thereon. No institution shall hold by way of investment, or as security for loans, or both, more than one-fifth of the capital stock of any corporation. "Such (domestic) company may loan to citizens of this State, any portion not exceeding one-half of its capital stock, on respondentia or bottomry; but not unless three-fourths of all the directors agree to such loan and enter their consent thereto at large on the records of the corporation, to be laid before the stockholders at their next meeting."

LICENSED BROKERS—Chap. 49, Sec. 97. "The Insurance Commissioner may license any person as broker to negotiate contracts of insurance for others than himself for a compensation, by virtue of which license he may effect insurance with any domestic company or its agents; or any resident of the State to negotiate such contracts and effect insurance with the agents of any foreign company who have been licensed to do business in this State, as provided in Secs. 79 and 96, but with no others; said license shall remain in force one year, unless revoked, as hereinafter provided." Penalty for acting as broker without a license, a fine of not exceeding \$50, or imprisonment for not more than sixty days, for each offense. Fee, \$10. Sec. 99. "The Insurance Commissioner may annually issue licenses to citizens of this State, already agents of one or more duly authorized fire insurance companies, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property

in this State in foreign insurance companies not authorized to transact business in this State. Before the person named in such a license shall procure any insurance in such companies on any property in this State, he shall, in every case, execute and file with the Insurance Commissioner an affidavit that he is unable to procure, in companies admitted to do business in the State, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this State, to the full amount which said companies are willing to write on said property. Provided, that such licensed person shall not be required to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$25,000, or one which has within the preceding twelve months, been in an impaired condition." Fee, \$20. Penalty for acting without a license, or for omitting to file required statements or affidavits, or for filing false documents, revocation of license; also a fine of not over \$100, or imprisonment for not more than sixty days, or both. Detailed statement required in January, with payment into the State treasury of a tax of two per cent on gross, less return premiums. See "Taxes."

LIMIT ON A SINGLE RISK—No one risk assumed by a domestic company shall exceed ten per cent of its capital stock actually paid in.

LLOYDS—Chap. 49, Sec 1. "* * * Associations of individuals now formed or which may hereafter be formed, upon the plan known as Lloyds, for the purpose of transacting marine insurance business, may exercise all rights, powers and privileges granted under the laws of this State." Chap. 135 Public Laws 1913, gives authority to license inter-insurers.

MISCELLANEOUS—Bank Commissioner has supervision over sales of stock of insurance companies. Adjustment of a loss must be begun within 20 days after receipt of notice, but no loss exceeding \$100 shall be paid earlier than 45 days after date proof of loss is executed, without written permission of Insurance Commissioner. Adjusters must be licensed

MUTUAL COMPANIES—Chap. 49, Sec. 43. "Any mutual insurance company may be organized under the provisions of Secs. 41 to 52 inclusive, with a guarantee capital of not less than \$100,000, divided into shares of \$100 each; and no policy shall be issued by such corporation until one-fourth, at least, of its guarantee capital has been paid in, in cash, and invested as provided in Sec. 11." Sec. 44. "No policy shall be issued by a purely mutual company until applications have been made in good faith, for insurance to the amount of \$50,000, and no policy shall be issued by a stock company until its capital stock has been paid in, in cash, and invested as provided in Sec. 11." Provision is made in Sec. 78 for licensing outside mutuals having \$50,000 or more of cash assets, under certain conditions.

PRELIMINARY DOCUMENTS—Companies must file a certified copy of charter and by-laws, and financial statement in form prescribed by Com-

missioner; a certificate of appointment of Insurance Commissioner as attorney; companies other than American must file a certified copy of vote of appointment of trustees, and deed of trust, and schedule of assets held by United States trustees; also certificate of deposit. Annual certificate of compliance with laws of company's home State is not required, except under retaliatory law.

PUBLICATION—Chap. 49, Sec. 91. "Every foreign insurance company, life excepted, doing business in this State, shall annually before the first day of May, publish three weeks successively, in some daily or weekly paper printed in every county where it has a duly authorized agent, or issues policies, a condensed statement of its condition conformable to its last annual report to the Commissioner, and any such insurance company which neglects or refuses to publish such statement forfeits not less than \$50." Publication by domestic mutual company must be made for three successive weeks in a daily or weekly paper in the county in which the company is located. No prescribed newspapers and no fixed charge.

RECIPROCAL LAW—Sec. 52, Chap. 8, R. S., 1903. "Any insurance company incorporated by a State or country whose laws impose upon insurance companies chartered by this State any greater tax than is herein provided shall pay the same tax upon business done by it in this State, in place of the tax above provided." Chap. 49, Sec. 83. "When, by the laws of any other State or country, any fines, penalties, licenses, fees, deposits or other obligations or prohibitions additional to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents are imposed on insurance companies of this State and their agents, the same fines, licenses, fees, deposits, obligations or prohibitions shall be imposed upon all insurance companies of such State or country, and their agents, doing business in or applying for admission to this State."

REINSURANCE—There is no prohibition of reinsurance in unauthorized companies, but reinsurance in licensed companies must be placed through licensed resident agents, and no credit is allowed for reinsurances in unauthorized companies. (See "Taxes.")

REINSURANCE RESERVE—Fifty per cent of premiums on existing fire and inland risks, and one hundred per cent of premiums on marine risks.

RESIDENT AGENTS—Chap. 49, Sec. 79. "* * * Upon receiving the papers herein enumerated the Commissioner may, if he deems advisable, grant a license authorizing the company to do insurance business in this State by constituted agents resident therein, subject to its laws until the first day of the next July * * *"

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—Maine has its own standard policy. Any violation of standard policy provision, a fine for each offense of not less than \$50, nor more than \$200; but such policy shall nevertheless be binding upon the company issuing the same.

TAXES—Sec. 48, Chap. 8, R. S., 1903, as amended in 1909. "Every insurance company or association which does business or collects premiums or assessments in the State, except those mentioned in Sec. 46, including surety companies and companies engaged in the business of credit insurance or title insurance, shall, as hereinafter provided, annually pay a tax upon all premiums received, whether in cash or in notes absolutely payable, on contracts made in the State for insurance of life, property or interest therein, at the rate of one and one-half per cent a year, provided, however, that no tax shall be required on account of any premium paid or assessment levied on policies of insurance issued on farm property." Chap. 8, Sec. 50, R. S. "Said tax shall be assessed by the Board of State Assessors, upon the certificate of the Insurance Commissioner, to be seasonably furnished therefor, and certified to the Treasurer of State on or before the first day of April, and the same shall be paid on or before the first day of May following. The Treasurer shall notify the several companies of the assessment, and, unless the same is paid as aforesaid, the Commissioner shall suspend the right of the company to do any further business in the State until the tax is paid." No credit allowed for reinsurances in unauthorized companies, but return premiums and reinsurances in licensed companies may be deducted. Premiums for reinsurance in unauthorized companies cannot be deducted. Penalty for failure to pay tax, \$5 per day and revocation of license.

Mutual fire companies of other States insuring only factories or mills, in lieu of all other taxes, shall annually pay a tax of 2 per cent on gross premiums in force after deducting the unabsorbed portion of such premiums computed at the rate of return actually made on annual policies expiring during the year.

All insurance transactions with unauthorized companies must be reported by December 11, and a tax thereon at the rate of $2\frac{1}{2}$ per cent upon gross premiums paid by December 31. Penalty, not less than \$100 nor more than \$500 for each offense. This does not apply to insurance in unauthorized companies, written by special insurance brokers, under Section 99, Chapter 49, Revised Statutes.

TAX STATEMENTS—Must be filed on or before January 31. Penalty for non-compliance, \$5 per day.

VALUED POLICY—No requirement.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

MARYLAND.

STATE REQUIREMENTS.

AGENTS DEFINED—No definition.

AGENTS' LICENSES—Sec. 165. "A certificate of the appointment of a general agent of the company for this State, and a list of its agents authorized to transact business for said company within this State, must be filed with the Commissioner, and no certificate of authority, as hereinafter described, shall be issued to any person or persons not so designated by the company as agent, except in the case of solicitors of life insurance, who may be designated by the general agent of the company for this State." Sec. 167. "No person shall act as agent or solicitor in this State for any insurance company * * * until the provisions of this article relating thereto have been complied with, and there has been granted by the Insurance Commissioner a certificate of authority, or license, for which said company, individual, resident or non-resident, association, or their agent, shall pay to the Insurance Commissioner the sum of \$100 and shall also pay to the Insurance Commissioner a tax of two per cent of the amount of premiums contracted to be paid or actually collected, received or secured in this State, or from residents thereof during the last license year, by or for said company, individual resident or non-resident partnership or association and without any deductions for expenses or endowments which may have been paid or for any other cause whatsoever, which rate shall not be increased or diminished by reason of any greater or less rate being chargeable under the laws of any other State or Territory." Licenses expire December 31. Applications for licenses must be made by company officers, under seal. See "Licensed Brokers."

ANNUAL STATEMENTS—Must be filed with State Insurance Department within sixty days from January 1. This is only annual report required. Penalty for failure to file statement, \$100 for each day's neglect; for making false statement, fine of \$100 to \$1000.

ANTI-COINSURANCE—No prohibition of coinsurance clauses.

ANTI-COMPACT—No law forbidding co-operation.

ANTI-DISCRIMINATION—Sec. 155, as amended in 1912. "No fire * * * insurance company, association, co-partnership, Lloyds or individual underwriters, authorized to do insurance business in this State, or any officer, agent, solicitor or representative thereof, shall make any contract for insurance on property or risk located within this State against * * * hazard of any kind that may arise or occur therein or agreement as to such contract, other than as plainly expressed in the policy issued or to be issued thereon; nor shall any such company, association, partnership, Lloyds or individual underwriters, or any officer, agent, solicitor, representative thereof, directly or indirectly, in any manner whatsoever, pay or allow or offer to pay or

allow as inducement of such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy or contract of insurance, nor shall any insurance broker, his agent, or representative, or any other person, directly or indirectly, either by sharing commissions or in any manner whatsoever pay or allow or offer to pay or allow as inducement to such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy; nor shall the insured, his agent or representative, directly or indirectly, accept or knowingly receive from any company, association, partnership, Lloyds or individual underwriters, or from any insurance broker or other person, any such rebate of premium payable on the policy, or any special favor or advantage in the dividends or other benefits to accrue thereon; this section shall not prevent any corporation, person, partnership or association lawfully doing such insurance business in this State from the distribution of surplus and dividends to policyholders after the first year of insurance, nor prevent any member of an inter-insurance or Lloyds association from receiving the profit on his or its underwriting; nor shall this section prevent any licensed insurance broker from sharing or dividing a commission earned or received by him with any other licensed insurance broker or brokers who shall have aided him in respect of the insurance for the negotiation of which such commission shall have earned or paid." Sec. 156. "Any person or corporation violating any of the provisions of the Sections 154 and 155 of this article shall be guilty of a misdemeanor and upon conviction thereof the offender or offenders shall be sentenced to pay a fine of not less than \$200 nor more than \$500 for each and every violation of either of said sections. Any agent or solicitor of any insurance company or any insurance broker shall upon being convicted of a second offense under said sections be disqualified from acting as an insurance agent, solicitor or broker for the period of one year thereafter, and it shall be the duty of the insurance commissioner, upon being satisfied that any insurance company, or any agent thereof, has violated any of the provisions of said Sections 154 and 155, to report the same to the State's attorney for the county and city in which such offense may have been committed. No person shall be excused from testifying, or from producing any books, contracts, agreements or documents at the trial of any person charged with violating any provision of either of said sections on the ground that such testimony or evidence may tend to incriminate himself, but no person shall be prosecuted for any act concerning which he shall be compelled to so testify or produce evidence, documentary or otherwise, except for perjury committed in so testifying."

ATTORNEY—A resident of the State other than the Insurance Commissioner must be appointed to accept service of legal process. In case of the death or absence of the attorney so appointed, process may be served on the Commissioner.

BROKER—See “Licensed Brokers.”

CANCELLATION OF POLICY—No provision for notice to insured.

CAPITAL REQUIRED—Sec. 144. “The capital stock of any insurance company incorporated under this article shall not exceed the sum of \$2,000,000, and except in the case of mutual insurance companies shall not be less than \$100,000; and at least one-fifth of the whole capital stock shall be paid in before the said company shall be competent to transact the business for which it shall have been incorporated.” Sec. 151. “It shall not be lawful for any company incorporated under the laws of any other State of the United States, or by any foreign government, directly or indirectly, to take risks, or transact any business of insurance in this State, unless possessed of the amount of actual capital required of similar companies formed under the provisions of this article.” The construction of Section 144 is that at least one-fifth of a stock company’s capital and not less than \$100,000 shall be paid in.

COMMISSIONS TO NON-RESIDENTS—Sec. 168: “No corporation or association, whether organized under the laws of the State of Maryland or otherwise, and no co-partnership or individual, and no agent or employee of any company, individual, association or firm, whether such person be a licensed broker or otherwise, shall directly or indirectly pay, except to the lawful agent or solicitor of such company, and to him solely upon the premiums on policies issued by the company for which he may be licensed agent or solicitor, or to an insurance broker licensed by the State of Maryland, any commission, reward or rebate in consideration of procuring, or influencing others to procure insurance from such company, association, individual or firm, nor collect or agree to collect from any person whether or not the same may be the owner of the property insured, or his agent or other person, any amount less than that expressed in the policy or policies as being the premiums therefor; and any person violating any of the provisions of this section shall be subject to the fines imposed by Sec. 188 of this Article.” Sec. 186. “* * * Every corporation, association, co-partnership and individual, resident or non-resident, engaged in business in this State shall pay to its legally licensed agent or agents, in the State of Maryland, for signing or countersigning any policy, certificate or other evidence of liability assumed by said corporation, association or individual, the same rate and amount of commissions as if such policy, certificate or other evidence of liability had been issued through said agent or agents residing in the State of Maryland; and no agent or agents shall sign or countersign any policy, certificate or other evidence of liability, upon any property situated in this State, for an amount less than the commissions allowed on any policy, certificate or other evidence of liability issued through an agent or agents residing in this State. The premiums on all policies so signed or countersigned shall be included in the report of gross premiums required to be made to the Insurance Commissioner by all companies not organized under the laws of this State.

* * *

DEPOSIT—None required, unless as required under "Reciprocal Law."

DOMESTIC COMPANIES—Sec. 163. "No declaration of organization or charter of an insurance company formed under this article, and no alteration or amendment thereof, shall be operative until it has been submitted to the Attorney-General for examination, and found by him to be in accordance with the provisions of this article, and not inconsistent with the constitution and laws of this State, and so certified by him and delivered to the Insurance Commissioner; and before any such company shall begin to do any business, the Insurance Commissioner shall examine the officers of said company under oath, to ascertain whether the capital required of the company named in the charter, according to the nature of the business proposed to be transacted by such company, to an amount of not less than \$100,000, has been paid in money, and is held by the board of directors subject to their actual control, according to the provisions of the charter of said company, or has been invested in securities negotiable, and worth in the market not less than the sum of \$100,000; or if a mutual company, that it has received and is in actual possession of the promises or bona fide engagements of insurance or other securities, as the case may be, to the full extent and of the value required by law, and the name and residence of the maker of each premium note forming part of the capital or assets; and the amount of such note shall be reported to the Insurance Commissioner, and the officers or corporators of such company shall be required to certify under oath that the capital exhibited to the Insurance Commissioner is bona fide property of the company, which certificate shall be filed in the office of the Insurance Commissioner." Any officer making a false statement in connection with the foregoing requirements shall be deemed guilty of perjury and be punished for same. Law of 1908. "Corporations may be formed under the provisions of this article for any one or more lawful purposes, except such as are excluded from the operation of a general law by the Constitution of this State. And except where special provisions inconsistent herewith are made in this article for particular classes, all corporations shall be formed in manner following: The incorporators, being any three or more adult persons, of whom at least one shall be a citizen of this State, shall sign and acknowledge before some officer competent to take the acknowledgment of deeds for land situated in the State, a certificate in which shall be stated: (a) That the subscribers thereto (giving their names and places of residence) associate themselves with the intention of forming a corporation. (b) The name of the proposed corporation, which shall always be such as to indicate that it is a corporation as distinguished from a natural person or a partnership. This provision shall be deemed to be complied with if the name of the corporation begins with the word "the" and ends with the word "company" or "corporation," or if the title shall contain the word "incorporated." (c) The purpose or purposes for which the corporation is formed and the business or objects to be carried on and promoted by it. (d) The

place in this State where the principal office of the corporation will be located. (e) The total amount of capital stock, if any, of the proposed corporation and the number and par value of the shares; and the restrictions, if any, imposed upon the transfer of the shares. And if the capital stock is to be classified under the power hereinafter granted, the certificate shall state how much of said stock is to be preferred and the preferences, voting powers, restrictions and qualifications of the preferred stock. (f) The number of trustees, directors or managers, which shall not be less than three; and the names of those who shall act as such for the first year or until their successors are duly chosen and qualified. (g) Any provisions which may be desired, for the purpose of defining, limiting and regulating the powers of the corporation, and of the directors and stockholders or any class of the stockholders; provided, such provisions are not contrary to the law of this State or inconsistent with any of the terms and limitations of this Article. Sec. 146. "Corporations formed under the provisions of this article for insurance purposes may be formed either as mutual or stock companies, or as mutual and stock companies combined, as shall be determined and declared in the certificate of incorporation of said company."

EXAMINATIONS—Sec. 160, sub-sec., 6 provides that "once at least during his term of office, and oftener if he should deem it expedient to do so, the Insurance Commissioner shall appoint some competent person or persons who shall visit the principal office of every insurance company organized under the laws of this State, for the purpose of examining its affairs, and the person or persons so appointed shall have free access to the books and papers of every company thus visited, and shall thoroughly inspect and examine its affairs to such an extent and make such inquiries as may be necessary to ascertain its condition and ability to fulfil its engagements, and whether it has complied with all the provisions of law applicable to its transactions. And whenever the Insurance Commissioner may have reason to doubt the solvency, or the correctness of the statement of any company not organized under the laws of this State, which may have been licensed to do business in this State, or which may be applying for said license, he shall communicate such doubts, and the reasons for them, to the Insurance Commissioner, or other officer charged with the supervision of insurance corporations of the State in which said company is located, and if he is not satisfied from the information obtained from such Insurance Commissioner or other officer, or from the officers of the company, that the condition of the company is such as to warrant him in permitting it to transact business in this State, under the provisions of this article, he shall notify such company that it will be necessary for him to have its affairs examined by some person or persons by him appointed, and for that purpose the person or persons by him appointed shall visit such company at its principal office, and make a thorough examination into all its affairs." Expenses of examinations must be borne by the companies. See "Fees." Company not allowing

such examiners free access to books and papers, subject to revocation of license.

FEES—For filing certified copy of charter, \$25; filing annual statement, \$25; issuing general agents' certificate, \$10; issuing policy-writing agent's license, \$10; issuing solicitor's license (including form certificates), \$5; (solicitor for domestic company, 50c.) ; reciprocal law applies if greater fee is charged in other States for solicitor's license; furnishing abstracts of annual statement for publication, two in Baltimore and one in each county where the company is represented, \$2 each, and actual net cost of publication; copies of papers on file, 20 cents per folio; certifying same, \$1; examination of companies, actual expenses incurred, not to exceed \$10 per day, with traveling and other expenses, for each person engaged in such examination, except that one special examiner may be appointed at not exceeding \$25 per day, and the Department examiner may receive not more than \$15 per day in addition to his salary, as well as traveling and other expenses. Company is required to obtain license to do business from the Commissioner and pay to the Insurance Commissioner \$100 annually; proportionately for fractions of a year. Licenses expire December 31. Broker's license, \$100; broker's solicitor's license, \$25. Fee for recording each policy of an unauthorized company, \$1. Fees are payable to the Insurance Commissioner.

FIRE DEPARTMENT TAX—Governed by reciprocal provision.

FIRE MARSHAL—The duties of fire marshal are now performed by the State Insurance Department, the expense of such work being limited to \$4,000 yearly.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Are required annually on July 1.

GENERAL PENALTIES—Any person or persons, or any company violating any provision, where penalty is not specifically mentioned, shall be subject to a fine of not less than \$100 nor more than \$1000. Any person acting for unauthorized company shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be punishable by a fine of not less than \$25 nor more than \$200, or by imprisonment in the city or county jail not less than thirty days or more than one year, or both.

IMPAIRMENT—Sec. 160, sub-sec. 9. "Having charged against the company the reinsurance reserve, as above determined, for fire, inland and marine insurance, and adding thereto all debts and claims against the company, he shall, in case he finds the capital stock of the company impaired to the extent of twenty-five per cent, give notice to the company to make good its whole capital stock within sixty days; and if this is not done he shall require the company to cease to do new business within this State; and shall thereupon, in case the company is organized under the authority of this State, immediately institute such legal proceedings as are necessary to protect the rights of all persons in said company."

INVESTMENTS PRESCRIBED—Domestic companies may invest their capital in bonds, coin or treasury notes, notes of the United States, or bonds and

stocks of Maryland or of any other State, or of any county, incorporated city or other corporation of this or any other State having legal authority to issue the same, not only bearing but paying interest, or in ground rents or loaned upon mortgages of unincumbered real estate in Maryland or any other State worth at least double the amount loaned thereon, or may loan upon the pledge of any of the above securities; provided that the current market value of such pledged securities, other than stocks and bonds of Maryland or of the United States, shall be at all times during the continuance of such loans at least ten per cent more than the sum loaned on them. Companies may hold and acquire real estate sufficient for their office or business purpose only; provided, however, that they shall have the right to purchase and hold real estate under a foreclosure of their own mortgages for a period of not more than five years.

LICENSED BROKERS—Sec. 200. "Any natural person, bona fide co-partnership or corporation applying therefor, as hereinafter set forth, and paying to the Insurance Commissioner the sum of one hundred dollars (\$100.00) for the use of the State, and an additional sum of one dollar (\$1.00) as a fee to the said Commissioner for issuing said license, may obtain a license for carrying on the business of an insurance broker; provided, however, that any natural person, bona fide, co-partnership, or corporation residing in any of the Counties of this State may, upon payment of a fee of twenty-five dollars (\$25.00) for the use of the State, and an additional sum of one dollar (\$1.00) as a fee for the use of the State, and for issuing said license, obtain a license to act as broker as to risks situated in the County only within which he, they or it may reside. A license issued to a co-partnership or corporation shall authorize only those members of the corporation, not exceeding three in number, who are specified in the license, or those officers, agents and employes of the corporation, not exceeding three in number, who are specified in the license to act for the said co-partnership or for the said corporation thereunder. The Insurance Commissioner shall from time to time, upon application, and payment of additional sum of fifty cents in each such case, as a fee to the Insurance Commissioner, change the designations of members of co-partnership, and of officers, agents and employes of corporations in licenses issued under this section to co-partnerships and corporations. Every application for a license under this section shall be addressed to the Insurance Commissioner in writing, shall set forth in full the name and address of each such applicant and the name and address of each person who proposes to act under a license issued as aforesaid to any co-partnership or corporation, that each such applicant or person proposing to act under such license has not wilfully violated any of the insurance laws of this State during the past year, and that he will not violate any such laws during the term of license applied for at issue; that he has not dealt unjustly with or deceived any citizen of this State or misrepresented the conditions of any insurance policy contract; whether or not he is indebted to any insurance company or general agent by virtue of any contract as

former agent or broker; whether or not his license as insurance agent or broker has been declined or revoked in this or any other State for a violation of law; where and in what business engaged during the past year, and shall give full answers to the following questions: Do you understand that it is against the laws of this State (a) to act as broker for any company without license from this department; (b) to misrepresent the conditions of any policy contract, (c) to make any discrimination between citizens of this State in premiums, or in rebating any part of premiums or commissions, or to twist or attempt to twist policies by misrepresentation. Said application and declaration shall be signed by the person, a member of the co-partnership, or a duly authorized officer of the corporation, applying as the case may be. If any such license shall be issued for a portion of any year a ratable sum shall be charged therefor up to the first day of May next succeeding the date of such application." Sec. 199. "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for a person other than himself, and not being duly appointed solicitor, agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker within the meaning of this article." Penalty for acting as broker without a license, fine of \$500 for each offense. Brokers' certificates expire May 1. License fee is pro rated for portion of year to that date. See "Miscellaneous."

219A. Any person who shall be a bona fide employee of a duly licensed and qualified broker and not duly operating under a broker's license in conformity with the provisions of Sec. 219 of this article, and who, for compensation, whether by way of salary or commission, or both, shall solicit on behalf of and in the name of his said employer, and not in his own name, or in any manner aid his said employer in negotiating contracts of insurance or reinsurance in the name of his said employer, is hereby designated a broker's solicitor and shall be deemed to be such for the purposes of this article. No person shall act in any manner or perform any of the duties or functions of such broker's solicitor until application for a license therefor shall have been made by each said broker's solicitor and by his employer on application forms provided by the Insurance Commissioner and duly signed by said broker's solicitor and by his said employer, and there shall have been issued by the Insurance Commissioner a license to act as such broker's solicitor, for which license there shall be paid to the Insurance Commissioner the sum of \$25 by or for each such broker's solicitor. Said license shall bear the name of the broker's solicitor to whom issued and of the employer for whom he is authorized to act, and shall authorize said broker's solicitor named therein to solicit insurance and reinsurance in the name of his said employer, but not in his own name, or in the name of any other person, firm or corporation, and further to aid in any proper and lawful manner his said employer in negotiating contracts of insurance and reinsurance, in the name of his said employer, but shall not authorize or permit said broker's solicitor to act in or use his own name in soliciting or

negotiating any contracts of insurance or reinsurance or in any renewal or renewals of any such contracts or to deliver any policy or policies or bill any assured or collect any premium of insurance in his own name or in any other manner than in the name of or as the agent or employee of his said employer. The broker for whom such solicitor shall act under such license may place any insurance procured by or through said solicitor in any company and in the same manner and to the same extent as if said business had been procured or negotiated directly by said broker employing said solicitor." Penalty for violation, \$500. Non-resident brokers and brokers' solicitors doing business in Maryland must be licensed.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Sec. 164. "Associations or individuals, citizens of the United States, whether organized within the State, or elsewhere within the United States, formed upon the plan known as 'Lloyds,' whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life, in this State, upon the following conditions: That any such association organized in this State may be permitted to transact the insurance business upon the same terms and conditions as are by the laws of this State imposed upon an insurance company organized under the laws of this State, and any such association organized in any other of the United States may be permitted to transact its business in this State upon the same terms and conditions as are by the laws of this State imposed upon an insurance company incorporated in the State where such association was organized."

MISCELLANEOUS—Each company must transact business in its own proper or corporate name. [Sec. 161 provides that if the Insurance Commissioner has reason to believe that a company is issuing policies at an insufficient and impracticable rate he shall notify such company to adjust its rates on a safer and more adequate basis, and if such company shall refuse to so adjust its rates the Insurance Commissioner may cause an examination to be made of such company's affairs, and if the result of such examination shall warrant it the Insurance Commissioner shall notify such company to cease writing business on rates deemed to be insufficient; but this section is construed as applying only to life insurance.]

Chapter 322, Laws of 1908—Sec. 157A. "All persons or individuals obtaining insurance on property situate in this State, owned by individuals or firms resident in this State, or corporations incorporated under the laws of this State against fire, lightning or tornado, from companies, associations, firms or corporations not authorized to transact business in this State, shall file with the Insurance Commissioner of the State a statement or declaration setting forth the name of the company, number of policy, amount of insurance, rate, premium and description of property, shall be required to pay a tax thereon of 5 per cent of the premiums paid on such policies to the said Insurance Commissioner; and shall further pay a fee to said Commissioner of one dollar on each policy for making a record of the said statement or declaration, which record shall be kept for the private information of the insurance department of this State, and

shall not be a public record." Sec. 157B. "Whenever any person or firm resident in this State or corporation, incorporated under the laws of this State, shall file with the Insurance Commissioner an affidavit that said person, firm or corporation is unable to obtain in companies legally authorized to do business in this State insurance, or a sufficient amount thereof, on property situate in this State owned by said person, firm or corporation, then the Insurance Commissioner shall issue a license to such person, firm or corporation authorizing the procurement of insurance in non-admitted companies or associations to the extent of the insurance desired; and such person, firm or corporation shall not be required to pay the tax imposed by the preceding section, but shall be required to pay to said Insurance Commissioner a fee of one dollar on each policy so obtained; and said Insurance Commissioner shall make a record thereof in the book mentioned in the preceding section, showing name of company, number of policy, amount of insurance, rate, premium and date of expiration of policy; and in case of damage to or loss by fire, lightning or tornado of any property so insured, the said unauthorized company is hereby authorized through its agent or agents to enter this State for the purpose of adjusting any such loss or damage sustained under said policies, but not to solicit insurance in such unauthorized companies." Sec. 157C. "Any person, firm or corporation who shall, with intent to secure such license, make a false affidavit, shall be guilty of perjury; and any policy of insurance obtained under such license shall be void, and the license so issued shall be cancelled by the Insurance Commissioner." Penalty for violation: Fine of not less than \$100 nor more than \$1000, or imprisonment for one month to six months. Sec. 157F. "It shall be the duty of the Insurance Commissioner to stamp all policies issued in non-admitted companies 'Unauthorized Company, tax paid' or 'Unauthorized Company, no tax,' and any person, firm or corporation who shall obtain or have in their possession any policy of companies not authorized to do business in this State, dated after the passage of this Act, insuring such individual, corporation or firm from loss and damage by fire, lightning or tornado upon property situate in this State without being so stamped, shall be subject to all the penalties of Section 157D (fine or imprisonment as above stated) of this Act; provided, however, that railway companies and other common carriers engaged in inter-State commerce may place insurance without complying with the requirements of this Act." Sec. 157G. "All policies of insurance against loss or damage to property in this State from fire, lightning or tornado, issued by companies, associations, firms or corporations authorized to transact the business of insurance in this State, shall have plainly marked or stamped in indelible ink on each policy the words following "Authorized to do business in the State of Maryland," to which shall be annexed a fac-simile of the signature of the Insurance Commissioner of this State; any company, association, firm or corporation violating the provisions of this section shall be guilty of a misdemeanor, and upon conviction thereof shall

be liable to the penalties prescribed by Section 157D of this Act. The Insurance Commissioner of this State shall furnish stamps for the purpose herein prescribed at a cost not to exceed two dollars for each stamp, to be paid by all such authorized companies, associations, firms or corporations." Sec. 157H. "Provided, nothing herein contained shall prevent any mutual insurance company or association which pays dividends to policyholders, or which returns premiums in whole or part to policyholders, from issuing policies insuring and inspecting property, and adjusting losses in this State, and the provisions of this Act shall not apply to such companies or associations." (The rubber stamps mentioned in Sec. 157G will be sold by the Insurance Department to companies at 50 cents each. Promoters selling insurance companies' stocks must be licensed. Sprinkler leakage insurance may be written by fire insurance companies under fire insurance license.

MUTUAL COMPANIES—Sec. 154L provides that no purely mutual fire insurance company, nor one with a guaranty capital of less than \$100,000, shall begin business until not less than \$250,000 of insurance in not less than 100 separate risks, none larger than \$5,000, shall have been subscribed for and a list of subscribers filed with the Insurance Commissioner. The president and secretary shall certify that every subscription is genuine. The Commissioner may withhold license until he is satisfied that the company has complied with all laws. Such company must have at least five directors, of whom three-fifths shall be citizens of the United States. Such a mutual company may hold cash assets in excess of liabilities, limited to 2 per cent of insurance in force. Real estate cannot be held longer than five years, except that required for the company's accommodation in transacting its business. Mutual companies must charge and collect a full mutual premium in cash or notes absolutely payable; but a company organized before January 1, 1916, upon the deposit note and assessment plan, may continue such business, such deposit notes constituting the entire liability of members. By-laws shall fix the contingent mutual liability of members for losses and expenses, which must not be less than an amount equal to the cash premium. Mutual companies may have a guaranty capital of not less than \$25,000 or more than \$200,000, which shall be retired when the permanent fund of the company equals 2 per cent of the amount insured, and may be retired by a vote of the policyholders with the assent of the Insurance Commissioner. Mutual companies of other States may be admitted upon complying with the requirements as to domestic companies of the same class, but must file with the Insurance Commissioner a certified copy of its articles of incorporation and by-laws, the appointment of Insurance Commissioner as attorney for the service of process, an agreement that it will pay the taxes imposed by law, and the payment of the usual fees. Nothing in this act (Chap. 256, Acts of 1916), or in Article 23 of the Code of Public General Laws, shall be construed as applying to reciprocal or inter-insurance exchanges. All laws relating to stock fire insurance companies not inconsistent with the special mutual provisions

apply to mutual companies. See "Domestic Companies." Mutual companies are exempt from requirement in Sec. 189. (See under "Publication.")

PRELIMINARY DOCUMENTS—(Sec. 165). Company must file a copy of charter duly certified; a power of attorney appointing a citizen of this State (other than the Commissioner) the attorney of the company upon whom process of law can be served; a statement under oath of the company on the thirty-first day of December next preceding; a certificate of the appointment of a general agent of the company for this State; a certificate of deposit as required by law; a certificate of the Insurance Commissioner of its own State, that the company is entitled to assume risks and issue policies therein.

PUBLICATION—Sec. 189. "Abstract of annual statement must be published by the insurance department once a week for three consecutive weeks in a daily newspaper published in the city of Baltimore; except that in case of insurance companies of this State having their principal office in one of the counties of this State, the newspaper selected for publication must be published in the county where such company is located; the company shall, in addition, publish in another paper said abstract three consecutive times prior to April 1." Sec. 198. "Every insurance company doing business in any of the counties of this State shall, during the month of April of each and every year, publish in at least one newspaper published in each of said counties for three consecutive weeks an abstract of the annual statement as required by this article, provided that such publication shall not be required of mutual companies, formed under any general or specific law of this State, which annually send a full and detailed statement of the affairs and business of said companies to all of their respective policyholders and to the State Insurance Commissioner." No fixed charge; average cost, \$15 to \$25. This provision may have been superseded by another law (House Bill 965) which provides for only one publication.

An opinion of the Attorney-General reads, in part, as follows: "It is made the duty of the Insurance Commissioner to publish annually, prior to the first day of April, once a week for three consecutive weeks, in a Baltimore daily newspaper an abstract of the annual statement of each insurance company doing business in the State, except those having their principal office in the State. In the case of such latter companies the abstract must be published prior to the first day of April, once a week for three consecutive weeks, in a newspaper published in the county where the principal office is located. In addition fire, life, bonding and casualty companies, irrespective of the location of the principal office of the company, must publish annually, prior to the first of April, three consecutive times, an abstract of the annual statement in one Baltimore newspaper. No other publication is required of such companies.

RECIPROCAL LAW—Sec. 188. "When by the laws of any other State any deposit of money or securities is required, or fines or penalties or other obligations or prohibitions are imposed upon insurance companies incorporated or organized under the laws of this State, and transacting

business in such other State, or upon the agents of such insurance companies, greater than those required or imposed by the laws of this State, so long as such laws continue in force, the same fines, penalties and deposits, obligations and prohibitions shall be imposed upon all agents or insurance companies of such State doing business in this State, instead of those prescribed by the laws of this State." This retaliatory feature does not apply to the tax on premiums collected in this State.

REINSURANCE—Reinsurance in unauthorized companies not prohibited; but no credit for reinsurance in unauthorized companies is given in computing tax on premiums collected in Maryland.

REINSURANCE RESERVE—Fifty per cent of the premiums on risks having less than one year to run, and pro rata on risks that have one year or longer; sixty per cent on marine risks, yearly risks and those covering more than one passage, not terminated, and full premiums on all other marine risks.

RESIDENT AGENTS—Sec. 186. "No corporation or association authorized to transact business in this State, and no copartnership or individual, resident or non-resident, shall write any policy of insurance, or assume any liability in the matter of insurance upon any property, real or personal, situated in this State, unless such policy, certificate, or other evidence of liability assumed by said corporation, association or individual shall have been, previous to delivery, written and signed or countersigned by an officer or agent, resident in this State, authorized by law to sign such policy or contract." This does not apply to the rolling stock or movable property of railroads, or their liability as common carriers, except when more than one-half of their trackage is in Maryland.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No requirement.

TAXES—Two per cent on gross premiums collected in Maryland by fire and marine insurance companies, less return premiums and reinsurances in authorized companies, not subject to increase or decrease under reciprocal law is payable to the Insurance Commissioner. No credit allowed for reinsurance in unauthorized companies. Tax on premiums paid unauthorized companies (except for insurance secured under license), 5 per cent. (See "Miscellaneous.")

TAX STATEMENTS—A report of premiums collected must be filed with Insurance Commissioner at time of obtaining license.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

BALTIMORE—Fire Insurance Salvage Corps, under State charter, is supported by all fire insurance companies doing business in Baltimore; assessment, one and one-half per cent on premiums in city; payable semi-annually.

CAMBRIDGE—For each agent, \$10.50, payable annually, May 1.

TANEYTOWN—For each company, \$5, payable June 1.

WESTMINSTER—For each company, \$10, payable May 1.

MASSACHUSETTS.

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 98. "A person not a duly licensed insurance broker, who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, shall be deemed an insurance agent within the intent of this act, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject."

AGENTS' LICENSES—Companies (both foreign and domestic) must procure licenses for their agents expiring annually on June 30, from the Insurance Commissioner. Licenses are issued only to persons considered suitable by the Insurance Commissioner, and are revocable at any time, if, after hearing, the agent is found by the Insurance Commissioner to be an unsuitable person. An agent is personally liable on all contracts of insurance unlawfully made by or through him in behalf of an unauthorized company. Penalty for acting as agent without a license, fine of \$100 to \$500. Firm requires but one license, except when appointed agent by a company domiciled in a State the laws of which require Massachusetts companies to take out licenses for each member of a firm. By a law of 1915 (Chap. 82) the Insurance Commissioner is allowed to license as agents or brokers corporations which restrict the holding and ownership of stock to persons actually engaged as agents or brokers. (See "Brokers Defined.")

ANNUAL STATEMENTS—Must be filed on or before January 15; Commissioner may extend time to March 1. Penalty for failure to file statement when due, \$100 for each day's neglect, and company's authority to do new business may be suspended during default; for making false statement, \$500 to \$5000. Taking oath to false statement is punishable as perjury. (These annual statements and the tax statements are only ones required annually.)

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No provision.

ANTI-REBATE—Chapter 511 of the laws of 1908, as amended in 1912, prohibits discrimination and the giving or receiving of rebates for policies issued by insurance companies other than life, and excepting marine companies, their agents, brokers or insured, but not excepting policies of insurance against loss or damage to motor vehicles, their fittings and contents. This law does not forbid a company to receive a commission on a policy under which it is itself insured, nor does it forbid a duly authorized agent, sub-agent or broker, who carries on business in good faith as such, to receive a commission on a policy under which he is himself insured.

ATTORNEY—The Insurance Commissioner must be authorized by companies

other than domestic to accept service of legal process. Service may also be made upon any licensed agent of the company who has authority to issue policies and bind risks for the company or who issued the policy, the liability on which is sought to be enforced or who lives or has his usual place of business within the county and who has control over or superintendence of subordinate agents of the company. (Chap. 626, Acts of 1914.)

BROKERS DEFINED—Sec. 98. "Whoever, for compensation, not being the appointed agent or officer of the company in which any insurance or reinsurance is effected, acts or aids in any manner in negotiating contracts or insurance or reinsurance or placing risks or effecting insurance or reinsurance for a person other than himself, shall be an insurance broker, and no person shall act as such broker, except as provided in Sec. 95." Any suitable person whom the Insurance Commissioner is satisfied is trustworthy and competent and intends to hold himself out and carry on business in good faith as an insurance broker, may be licensed to act as broker upon payment of the \$10 fee; soldiers and sailors during the civil war are exempt from fee. Under Chap. 82, General Acts of 1915, the Commissioner may license a foreign or domestic corporation organized to conduct an agency or brokerage business exclusively if the holding and ownership of its stock is restricted to persons actually engaged in the insurance business. Such license shall designate the officers of the corporation, not exceeding three, who may solicit or negotiate contracts of insurance on behalf of the corporation. Chap. 181, Laws of 1913, provides for a broker's license limiting the authority of the licensee to the extent agreed upon with the applicant and set forth in the license issued him. Penalty for acting as a broker without a license, fine of \$100 to \$500.

CANCELLATION OF POLICY—Extract from Standard Policy: "This policy may be canceled at any time at the request of the insured, who shall thereupon be entitled to a return of the portion of the above premium remaining, after deducting the customary monthly short rates for the time this policy shall have been in force. The company also reserves the right, after giving written notice to the insured, and to any mortgagee to whom this policy is made payable, and tendering to the insured a ratable proportion of the premium, to cancel this policy as to all risks subsequent to the expiration of ten days from such notice, and no mortgagee shall then have the right to recover as to such risks." Sec. 1. Chap. 625, 1913, provides: "An insurance company issuing fire insurance policies on property in this commonwealth under the standard form required by law may cancel any such policy in the manner provided by law without tendering to the assured a ratable proportion of the premium if the premium has not been paid to the company or its agent or to a duly licensed insurance broker through whom the contract of insurance was negotiated." See Standard Policy.

CAPITAL REQUIRED—Foreign insurance companies may not be admitted unless they have a capital at least equal to that required for the formation of a domestic company. Domestic companies formed for insuring marine and inland risks upon the stock plan must have a capital of not less than \$300,000; fire companies, a capital of not less than \$200,000; but a company having \$400,000 of capital may transact both fire and marine insurance. No corporation may transact any other business than that specified in its charter and articles of association. Fire insurance companies may insure upon the stock or mutual plan against loss or damage to property and loss of use and occupancy by fire; explosion, fire ensuing; explosion, no fire ensuing, except explosion of steam boilers and flywheels; lightning, hail, or tempest on land; bombardment; a rising of the waters of the ocean or its tributaries, or by any two or more of said causes. Massachusetts companies may also "insure against loss or damage to any goods or premises of the assured, and loss or damage to the property of another for which the assured is liable, caused by the breakage or leakage of sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, or plumbing and its fixtures, or against accidental injury from other causes than fire, lightning, bombardment, or windstorm to such sprinklers, pumps, water pipes, elevator tanks and cylinders, steam pipes and radiators, plumbing and fixtures; also to insure against loss or damage to any goods or premises of the assured and loss or damage to the property of another for which the assured is liable caused by the leakage of roofs, leaders and spouting, or by rain and snow driven through broken and open windows and skylights, or caused by the contents of any tank, or impact of any falling tank, tank platform or supports erected in or upon any building, and to insure against loss of use and occupancy due to any of said causes," and other companies may also write such risks if permitted to do so by their charters. Mutual fire insurance companies may be formed with guaranty capital of not less than \$25,000, nor more than \$200,000. Mutual fire insurance companies of other States may not be admitted unless they have net cash assets equal to the capital required of like companies on the stock plan (\$200,000) or net cash assets of not less than \$50,000 and contingent assets of not less than \$300,000, or net cash assets of not less than \$75,000 with contingent assets of not less than \$150,000, or net cash assets equal to its total liabilities and contingent assets of not less than \$100,000, and also that assets other than contingent are well invested and immediately available for the payment of losses in the State.

COMMISSIONS TO NON-RESIDENTS—No provision. Licenses are issued to non-residents as agents for Massachusetts corporations and as brokers under reciprocal provision.

DEPOSIT—A foreign marine company is required to have \$300,000 on deposit in one of the States of the United States for the protection of all its policyholders in this country, and foreign insurance companies transacting

other classes of business, the same deposit capital as the amount of capital necessary for a company of another State of the United States—in the case of a fire company, \$200,000. Such deposit may be made in securities, but subject to the limitations specified under "Investments Prescribed," which see.

DOMESTIC COMPANIES—Sec. 25. "No domestic insurance company shall issue policies until upon examination by the Commissioner, his deputy or examiner, it is found to have complied with the laws of the Commonwealth, nor until it has obtained from the Commissioner a certificate stating that fact and authorizing it to issue policies." For such examination it shall pay into the treasury of the Commonwealth \$30. The procedure for organizing a fire insurance corporation shall be as follows: The proposed corporators, who must be residents of the Commonwealth and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name, which must be approved by the Insurance Commissioner; the class of insurance it proposes to transact and on what business plan or principle; the place, within the Commonwealth, of its location; and, if on the stock plan, the amount of its capital stock. A stock company must have at least five directors. A mutual company must have at least seven directors.

EXAMINATIONS—Sec. 6. "At least once in each three years, and whenever he determines it to be prudent, he shall personally or by his deputy, examiner, or chief clerk, visit each domestic insurance company, and thoroughly inspect and examine its affairs, to ascertain its financial condition, its ability to fulfil its obligations and whether it has complied with the provisions of law, and any other facts relating to its business methods and management and the equity of its dealings with its policyholders. He shall also make such examination upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. Whenever he deems it advisable he shall cause a complete audit of the books of the company to be made by a disinterested expert accountant. When he determines it to be prudent for the protection of policyholders in this Commonwealth, he shall in like manner visit and examine or cause to be visited and examined by some competent person or persons whom he may appoint for that purpose any foreign insurance company applying for admission or already admitted to do business by agencies in this Commonwealth, and such company shall pay the proper charges incurred in such examination, including the expenses of the Commissioner or his deputy and the expenses and compensation of his assistants employed therein." License of company found to be in unsound condition, or whose officers refuse to submit to examination, shall be revoked or suspended. Failure to appear and testify, or other obstruction of the Commissioner, shall be punishable by fine of not more than \$1000, or by imprisonment for not more than one year.

FEES—For filing certified copy of charter, \$30; filing annual statement, \$20; issuing agents' certificate, \$2; issuing certificate of examination, \$2; service of process on Commissioner, \$2; issuing license to special broker to do business with unauthorized company, \$20; brokers' license, \$10; copies of papers on file, 12 cents per page, certifying same, \$1; examination of domestic companies as to qualification to begin business, \$30. Fees payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—Governed by reciprocal provision. (Payable to Tax Commissioner.)

FIRE MARSHAL—The functions of a fire marshal are performed by a deputy chief of State police.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTIES—Sec. 120. "Whoever violates any provision of this act, the penalty whereof is not specially provided for herein, shall be punished by fine of not more than \$500." Any person acting in the negotiation or transaction of unlawful insurance with a foreign insurance company is subject to a fine of not less than \$100 nor more than \$1000, or to imprisonment for not more than one year. Any person acting for an unauthorized company may be fined \$100 to \$500. Any company publishing false statement liable to fine of not less than \$50 or more than \$500.

IMPAIRMENT—Sec. 8. "If it appears to the Insurance Commissioner that the capital of a domestic insurance company is impaired to the extent of one-quarter or more, on the basis fixed in Sec. 11, and that the company can with safety to the public and its policyholders be allowed to continue in business, he shall notify the company that its capital is legally subject to be made good in the mode provided by Sec. 38, and if such company shall not within three months after such notice satisfy him that it has fully made good its capital or reduced it, as provided in Sec. 40, * * * he shall apply to the Supreme Judicial Court, which shall have jurisdiction in equity of such application, for an injunction restraining it in whole or in part from further proceeding with its business." Sec. 50. "If a mutual fire insurance company is not possessed of cash funds above its unearned premiums sufficient for the payment of incurred losses and expenses, it shall make an assessment for the amount needed to pay such losses and expenses upon its members liable to assessment therefor, in proportion to their several liabilities." The Insurance Commissioner may revoke the authority of a fire insurance company whenever, in his opinion, its condition is unsound, that it has failed to comply with the law or the provisions of its charter, or that its condition is such as to render its proceedings hazardous to the public or to its policy holders, or its assets above liabilities, exclusive of capital and inclusive of unearned premiums, are less than the amount of its original capital or required unimpaired funds.

INVESTMENTS PRESCRIBED—The capital of domestic companies may

be invested in mortgages on real estate in any State of the United States, and upon certain leasehold estates in improved real property; real estate needed for the convenient accommodation of its business, which must not exceed in value ten per cent of its assets; in public funds of the United States or District of Columbia, or any State of the United States; in legally authorized bonds or notes of any city, county, town, school or water district of this Commonwealth, or of any State of the United States, and which division has at least 100,000 population; in legally authorized bonds or notes of such divisions whose net indebtedness after deducting water debt and sinking fund securities, does not exceed five per cent of the taxable property therein; or in bonds or notes of any railroad corporation located in this Commonwealth, or in the mortgage bonds of any railroad corporation wholly or partly in any of the United States, provided that its capital stock equals at least one-third of its funded indebtedness, and that the road has paid its bond interest and regular dividends of at least four per cent for the five years last preceding, or in bonds guaranteed by such a road; or may loan upon any of the above collateral. Sec. 11. "He shall allow to the credit of any insurance company in the account of its financial condition only such assets as are immediately available for the payment of losses in this Commonwealth, but no holding or parcel of real estate shall be given a higher value than would be adequate to yield at three per cent annual interest the average amount of its net rental for three years next preceding, except that if an insurance company shall show to the satisfaction of the Insurance Commissioner that the actual value of any of its real estate is greater than the value so ascertained, the actual value of the said real estate as determined by the Insurance Commissioner shall be allowed." Real estate taken by domestic companies in settlement of debts must be sold within five years, unless the time is extended by the Insurance Commissioner.

LICENSED BROKERS—Brokers may be licensed, at \$10 per year, to deal with authorized companies and agents. A law of 1915 allows corporations to secure brokers' licenses. See "Special Brokers."

LIMIT ON A SINGLE RISK—No insurance company shall insure in a single hazard, wherever such risk is located, a larger sum than one-tenth of its net assets, unless it has provided for reinsurance of the excess over said limit, to take effect simultaneously with the original contract. Penalty for violation, fine of \$500, and license may be revoked. See Sec. 20, under "Reinsurance."

If the directors of a domestic company allow to be insured on a single risk a larger amount than the law permits, they shall be liable for any loss thereon above the amount they might lawfully insure.

Sec. 20. "An insurance company authorized to do marine business in this Commonwealth may take any risk if it reinsures the same, if necessary, so that it does not retain for itself an amount of the risk exceeding ten per cent of its capital and surplus wherever they may be, and if it also

places such reinsurance, if possible, at the time and at not over the original rate, with companies authorized to do marine insurance in this Commonwealth; any amount in excess of what can be so placed may be reinsured with other companies, if the company or agent who procures said risk files an affidavit to that effect with the Insurance Commissioner, at such time and in such form as may be prescribed by him."

LLOYDS—Sec. 91. "Associations of individuals, citizens of the United States, whether organized within this Commonwealth or elsewhere within the United States, formed upon the plan known as Lloyds—whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy—may be authorized to transact insurance other than life in this Commonwealth, in like manner and upon the same terms and conditions as insurance companies of other of the United States."

MISCELLANEOUS—Sec. 8. "If he (the Insurance Commissioner) is of opinion that any domestic insurance company has exceeded its powers; or has failed to comply with any provision of law; or that its condition or management is such as to render its further transaction of business hazardous to the public or to its policyholders or to its creditors; or that it has attempted or is attempting to compromise with its creditors on the ground that it is financially unable to pay its claims in full; or if when its cash assets are less than its liabilities, inclusive of unearned premiums, but exclusive of capital if any, it attempts to the disadvantage of policyholders who have sustained losses to prefer or has preferred by reinsurance policyholders who have sustained no loss; or if it is insolvent, he shall apply to the Supreme Judicial Court, which shall have jurisdiction in equity of such application, for an injunction restraining it in whole or in part from further proceeding with its business."

Sec. 21. "No oral or written misrepresentation or warranty made in the negotiation of a contract or policy of insurance by the assured or in his behalf shall be deemed material or defeat or avoid the policy or prevent its attaching unless such misrepresentation or warranty is made with actual intent to deceive or unless the matter misrepresented or made a warranty increased the risk of loss." No policy shall limit time for commencing legal action to less than two years. Insurance must not be written for more than the fair value of the insured property, nor for a longer term than seven years. Sec. 119. "A domestic fire insurance company which establishes an agency or appoints an agent or other person to solicit or transact business for it in a State in which such corporation has not been lawfully authorized to transact business, or which pays or allows a commission or emolument to any person within such State, for the solicitation or procurement of insurance upon property therein, shall be punished by a fine of not less than \$300." Unpaid losses of an insolvent domestic company are preferred claims. Persons obtaining insurance in unlicensed companies must file affidavits within 5 days that the desired insurance could not be obtained in authorized companies (see "Special Brokers"). Fire

companies may insure against explosion damage (no fire ensuing) and against damage to motor vehicles.

The following law went into effect January 1, 1911: Sec. 1. "In cases of loss under any fire insurance policy issued after this act takes effect, the insurance company shall not, in defense of any action, avail itself of the omission on the part of the insured to furnish forthwith to the company the sworn statement in writing required by law, provided the insured has after such loss forthwith in writing notified the company at its home office or at the office of the agency issuing the policy of the fire and the location thereof; and provided, further, that the insured, if the company after receiving notice in writing, as aforesaid, requests him in writing so to do, furnishes the company with said sworn statement. If after receiving notice in writing as aforesaid from the insured the company does not forthwith request of the insured said sworn statement, the periods of time within which the company shall as provided in the policy pay the amount for which it shall be liable to replace the property or notify the insured of its intention to rebuild or repair the premises shall be computed from the time the company received said notice in writing. Sec. 2. On the filing back of every such policy there shall be printed or stamped in clear type not smaller than long primer the words: 'In case of fire notify the company or its local agent at once in writing.'"

Misrepresentation of terms of policies is prohibited and offenders are guilty of a misdemeanor and are liable to a fine of \$100 for each offense. (Sec. 1, Chap. 474, 1913.)

Companies are permitted to pension employees of ten years' service who have been disabled; of fifteen years' service who are infirm.

Companies, with the approval of the Commissioner, may establish an employees' saving fund or contributory pension system for the benefit of aged or disabled employees. (Section 1, Chap. 613, 1913.)

Companies are required to list in their annual statements claims under policies issued in Massachusetts which have been contested in court or are in suit when statement is filed.

Commissioner has supervision over financing companies and promoters of insurance companies.

Company's corporate title must be used on all policies.

MUTUAL COMPANIES—Fire. Sec. 42. "No policy shall be issued by a purely mutual fire insurance company, organized subsequent to the twenty-third day of April, in the year eighteen hundred and ninety-four, nor by a mutual fire insurance company with a guaranty capital of less than \$100,000, until not less than \$1,000,000 of insurance, in not less than 400 separate risks upon property located in this Commonwealth, has been subscribed for and entered on its books." Sec. 45. "A mutual fire insurance company may be formed with, or an existing mutual fire insurance company may establish, a guaranty capital of not less than \$25,000, nor more than \$200,000, divided into shares of \$100 each, which shall be invested

in the same manner as is provided for the investment of the capital stock of certain insurance companies by Sec. 37. The stockholders of the guaranty capital of a company shall be entitled to a semi-annual dividend of not more than three and one-half per cent on their respective shares if the net profits or unused premiums, left after all expenses, losses and liabilities then incurred, with the reserve for reinsurance, are provided for, shall be sufficient to pay the same. The guaranty capital shall be applied to the payment of losses only when the company has exhausted its cash in hand and the invested assets, exclusive of uncollected premiums, and when thus impaired, the directors may make good the whole or any part of it by assessments upon the contingent funds of the company at the date of such impairment." Sec. 53. "A mutual marine insurance company organized under the provisions of this act shall have an agreement under the seal of each subscriber thereto, substantially as follows: 'The subscribers severally agree to pay to the * * * Insurance Company on demand the whole or such part of the amounts set against our names as may be called from time to time for the use of said company in the payment of its losses and expenses not otherwise provided for.' Such company shall not issue policies until the amount of \$300,000, which shall be the total of such subscriptions, shall have been so subscribed, and a certificate signed by the president and a majority of the directors, certifying that the subscribers are known to them and that they believe them to be solvent and able to pay their subscriptions, has been deposited with and approved by the Insurance Commissioner."

PRELIMINARY DOCUMENTS—Companies of other States must file: certified copy of charter; copy of financial statement, verified by examination by home department; certificate of appointment of Insurance Commissioner as attorney to accept service; certificate of Insurance Department of home State that company was duly organized and has authority to transact business; affidavit that company is not covering in a single hazard, an amount in excess of ten per cent of its net assets; and agreement of officers that company will not reinsure Massachusetts risks in unauthorized companies, except in accordance with Sec. 20. Companies of other countries must file, in addition to the above: Duplicate of deed of trust and appointment of trustees; certified copy from home office of vote of the directors authorizing deposit of securities in the United States; duplicate of contract with the United States manager; list of securities held by trustees, certified by the trustees; certificate of deposit giving list of securities. All the above documents coming from the home office must be duly vised by the American Consul. Copy of charter and reinsurance affidavit need be filed but once. Whenever charter is amended, a certified copy is required.

PUBLICATION—No provision. Any advertisement showing assets must also show liabilities according to the Massachusetts standard, on the basis allowed for the last previous annual statement; and only the paid-up capital may be shown in any advertisement of capital. Penalty for violation, fine of \$50 to \$500.

RATES: BOARD OF APPEAL—A board of appeal consisting of the Insurance Commissioner (or his deputy) and two other citizens, is established to hear complaints as to premium rates.

RECIPROCAL LAW—Sec. 90. "If by the laws of any other State any taxes, fines, penalties, licenses, fees, deposits or other obligations or prohibitions, additional to or in excess of those imposed by the laws of this Commonwealth upon foreign insurance companies and their agents, are imposed on insurance companies of this Commonwealth and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State and their agents doing business in this Commonwealth so long as such laws remain in force."

REINSURANCE—Sec. 89. "And no company shall directly or indirectly contract for or effect reinsurance of any risk in this Commonwealth with any company not authorized to do business therein, except as provided in Sec. 20." Sec. 20. "If a company authorized to transact the business of insurance in this Commonwealth directly or indirectly contracts for or effects any reinsurance of any risk or part thereof taken by it, it shall make a sworn report thereof to the Insurance Commissioner at the time of filing its annual statement or at such other time as he may request; and such reinsurance unless effected in companies authorized to transact in this Commonwealth the class of business reinsured shall not reduce the taxes to be paid by it nor the reserve to be charged to it. Such reinsurance shall reduce the gross premiums on risks in force upon which a reserve is to be carried by the ceding company only by the actual amount paid or payable by it for the reinsurance plus the commission, if any, allowed by the reinsuring company on account of such reinsurance, except that the gross premiums of the ceding company on risks in force may be reduced by the amount of the gross premiums of the ceding company on the risks, or portion thereof, reinsured, upon presentation of evidence satisfactory to the Insurance Commissioner that the reinsuring company has included in its liabilities the full reserve on the risks, or portion thereof, reinsured, which the ceding company would by law have been required to carry had it retained the risks, or portion thereof, reinsured, and that the ceding company has included in its liabilities the actual unearned portion, on a monthly pro rata basis, of the gross premiums on the risks, or portion thereof, not reinsured. In case the reinsurance is effected by a company as a preliminary step to its permanent retirement from business, its gross premium on risks in force may be reduced by the amount of the original gross premium of the ceding company on the risks reinsured. * * *

If a company contracts for indemnity against loss under any contract of insurance or reinsurance assumed by it, which indemnity is contingent upon the happening of any event affecting property, life or interest in this Commonwealth in a company not duly authorized to transact business herein, or if it refuses or neglects to make the returns required by this section, the Insurance Commissioner may revoke its authority to trans-

act business in this Commonwealth if it is a foreign company and, if a domestic company, he shall report the facts to the Attorney General as provided in Sec. 10; but any fire insurance company authorized to do business in this Commonwealth may insure and have full authority to reinsure in unauthorized companies any property located in this Commonwealth in respect to which an affidavit has been filed within the twelve months last preceding in accordance with the provisions of Sec. 88, in which case the restrictive provision of this section as to the amount which may be insured in a single risk shall not apply." For Sec. 88, see title "Special Brokers." Penalty for violation, fine of \$500, and license may be revoked.

REINSURANCE RESERVE—Sec. 11. "To determine the liability upon its contracts of insurance of an insurance company, other than life and real estate title insurance, and the amount such company shall hold as a reserve for reinsurance, he may take fifty per cent of the premiums written in its policies or the actual unearned portions of said premiums; but in respect to marine risks he shall compute the liability thereon by charging fifty per cent of the amount of premiums written in its policies upon yearly risks, and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other marine risks not terminated; but in the case of foreign fire and marine insurance companies with less than \$300,000 capital, admitted to transact fire insurance only in this Commonwealth, the full amount of premiums written in their marine and inland navigation and transportation insurance policies shall be charged as liability."

RESIDENT AGENTS—Sec. 89. "Foreign companies admitted to do business in the Commonwealth shall make contracts of insurance upon lives, property or interests therein, only by lawfully constituted and licensed resident agents."

RETURN OF EXCESS PREMIUMS—Sec. 57. "If buildings insured against loss by fire, and situated within this Commonwealth, are totally destroyed by fire, the company shall not be liable beyond the actual value of the insured property at the time of the loss or damage; and if it shall appear that the insured has paid premiums on an amount in excess of said actual value, the assured shall be reimbursed the proportionate excess of premiums paid on the difference between the amount named in the policy and said actual value, with interest at six per cent per annum from the date of issue; and said excess of premiums and interest thereon shall be allowed the insured from the time any company or companies carrying said insurance at the time of the loss have continuously carried the insurance on the destroyed building or buildings, whether under policies existing at the time of the loss or under previous policies in the same company or companies."

SEMI-ANNUAL STATEMENTS—None required.

SPECIAL BROKERS—Sec. 88.—"The Insurance Commissioner, upon the annual payment of \$20, may issue licenses to citizens of this Commonwealth, subject to revocation at any time, permitting the person named

therein to procure policies of fire or bombardment insurance on property in this Commonwealth in foreign insurance companies not authorized to transact business in this Commonwealth. Before the person named in such a license shall procure any insurance in such companies on any such property he shall in every case execute and within five days thereafter file with the Insurance Commissioner an affidavit, which shall have force and effect for one year only from the date of said affidavit, that he is unable to procure, in companies admitted to do business as aforesaid, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business as aforesaid to the full amount which said companies are willing to write on said property; but such licensed person shall not be required to file such affidavit if one relative to the same property has been filed within the preceding twelve months by any broker who has been licensed as authorized by this act, nor to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$25,000, nor to one which has within the preceding twelve months been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premium charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and also a report in the same detail of all such policies canceled, and the gross return premiums thereon, and before receiving such license shall execute and deliver to the Treasurer and Receiver General a bond in the penal sum of \$2000, with such sureties as the Treasurer and Receiver General shall approve, with a condition that the licensee will faithfully comply with all the requirements of this section and will annually file with the Treasurer and Receiver General, in January, a sworn statement of the gross premiums charged for insurance procured or placed and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December last preceding, and at the time of filing such statement will pay into the treasury of the Commonwealth an amount equal to four per cent of such gross premiums, less such return premiums so reported." Penalty for neglecting to file affidavit and statements required, or for making a false statement, forfeiture of license, and fine of \$100 to \$500, or imprisonment for not more than one year, or both.

STANDARD POLICY—The Standard Policy form only must be used, under a penalty of \$50 to \$200; but riders varying the conditions may be used. Policy written in violation of this law will be binding. "Noon" is construed as meaning standard time. Sec. 2, Chap. 625, 1913, provides that on the policy form a rider must be attached, stating that if the premium is not paid, the company may cancel same without tendering assured any part

of the premium. An amendment of the standard policy, as to the limitation of suit clause, went into effect May 24, 1916. Until July 1, 1917, this may be covered by riders attached to policies, but after that date must be embodied in the policy. Companies printing new lots of policy forms in the meanwhile are at liberty to include the amendment in such policies.

TAXES—Companies of other States pay two per cent, "and at such greater rate, if any, as shall be equal to the highest rate imposed during the year by the laws of such other State upon insurance companies incorporated by authority of this Commonwealth, or upon their agents, when doing business in such State." Companies of other countries pay four per cent, except that if a company has had \$200,000 on deposit in the United States for the benefit of all policyholders, during the full term, only two per cent need be paid. Taxes are payable to the Tax Commissioner on gross premiums less return premiums on canceled policies, unused balances of notes on open policies and reinsurances effected through licensed resident agents in authorized companies.

TAX STATEMENTS—Acts of 1909, Chap. 490. Part III., Sec. 34. "* * * Every foreign company, association or partnership, including associations formed upon the plan known as Lloyds, authorized to do business in the Commonwealth, shall annually, between the first and fifteenth days of October, make a return to the tax commissioner, in such form as he shall prescribe, signed and sworn to by its secretary, manager or other officer having knowledge of the facts, of the amount insured by it upon property or interests in this Commonwealth, and the premiums and assessments upon such insurance charged on contracts made by it or its agents in this Commonwealth during the year ending on the preceding thirtieth day of September. Such returns shall state the whole amount of premiums charged by or in behalf of said company, association and partnership, either in cash or in notes absolutely payable, the amount claimed as a deduction therefrom under any of the provisions of this part, and also the classes of deductions and the amount of each class." Acts of 1907, Chap. 576, Sec. 93. "Every agent of a foreign insurance company shall, annually, on or before the fifteenth day of October, make return to the tax commissioner of all business transacted by him as such agent during the year ending with the thirtieth day of September last preceding, in such form as the tax commissioner may prescribe; and all books, papers and accounts of his agency shall be open to the inspection of the tax commissioner at any time to enable him to verify the statements and transactions aforesaid." Penalty for failure to make return required by Sec. 34, \$25; for neglecting to make such return for ten days after notice thereof, an additional sum of \$500, and company may also be restrained from doing further business in Massachusetts. Penalty for making false return, amount lost to commissioner, and penalty of \$500 to \$5000. Penalty for violation of Sec. 93, revocation of license for one year. Domestic companies are required to make returns to the Tax Commissioner, of the real and personal property

belonging to the corporation, within and without the Commonwealth.
VALUED POLICY—No provision. See "Return of Excess Premiums."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

BOSTON—Protective Department, two and two-tenths per cent on premiums on buildings and other property.

WORCESTER—Protective Department, about two per cent on premiums.

MICHIGAN

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters must secure licenses, expiring annually on the last day of February, and renewable March 1. Fee of \$2 is charged for first license only.

AGENTS DEFINED—Act of 1915 (Senate Enrolled No. 64). "An agent is hereby defined as a person, firm or corporation acting under express authority from any insurance corporation authorized to transact business in the State of Michigan, to solicit insurance and, or, write and countersign policies of insurance and collect premiums therefor within this State on behalf of such company." Penalty for soliciting for an unauthorized company, fine of \$50 to \$500, or imprisonment for not exceeding six months, or both.

AGENTS' LICENSES—Agents must secure licenses annually, which expire March 1. No charge is made for agents' licenses except under "Reciprocal Law," company of foreign country being considered as domiciled in State in which its deposit is made. Penalty for violation, \$50 to \$500. For acting for company after revocation of company's certificate, fine of \$50 to \$100, or ninety days' imprisonment, or both. For acting for an unauthorized company, fine not exceeding \$200 or imprisonment not exceeding one year. An agency corporation is treated as a person. The Attorney-General has ruled that salaried employees writing insurance, and solicitors, working for agents, must secure licenses. Fee for solicitors' license, \$10. An agent must have a license for each company for which he solicits business, and a solicitor for an agency must have a license for each agent or agency he represents. General, district, state and special agents, whether resident or not, must be licensed by the Insurance Commissioner. Fee shall be retaliatory. But non-resident general or special agents cannot solicit or write insurance if their compensation is based on premiums received.

ANNUAL STATEMENTS—Statements of companies must be filed annually on or before February 15. Penalty for neglecting or refusing to make statement or answer inquiries, fine of \$500; also for domestic companies, for each month's delay, \$500, and for other companies, revocation of license. These annual statements and the tax statements are the only ones required annually, except that alien companies must file home office statements by June 1, or within sixty days after annual meeting. Domestic mutual companies also file statements with county clerk in county where located, and publish statement in such county.

ANTI-COINSURANCE—By a law of 1895, the use of co-insurance or average clauses was forbidden, but this is modified by the following laws of 1907 and 1915: Act 307, P. A. 1907. Sec. 1. "Whenever any person, firm or corporation shall make written application to any insurance company authorized to do business within the State of Michigan to attach to any

existing policy, or to one to be issued by such company, the latter shall have the right to issue and attach such co-insurance clause, but not otherwise."

Sec. 2. "Such application shall be made substantially in the following form:

"..... hereby request that there be attached to policy number, of the insurance company, the following coinsurance clause, to wit:

"It is hereby agreed that the assured shall maintain insurance during the life of this policy upon the property hereby insured to the extent of at least per cent of the actual cash value thereof, and that failing to do so, the assured shall be a coinsurer to the extent of the difference between the amount insured and the said per cent of the cash value, and to the extent shall bear his, her or their proportion of any loss. It is also agreed that if this policy be divided into two or more items, the foregoing conditions shall apply to each item separately.

"To the provisions of which agree in consideration of a reduced premium rate.

"It is understood by the undersigned that the effect of the above mentioned coinsurance clause, when attached, will be to reduce the liability of the insurance company, unless the property described in the policy covered by said insurance is insured for ... per cent of its actual cash value, except where the loss exceeds the amount of the insurance required under this clause." Sec. 3. "All coinsurance rider clauses attached to any insurance policy in pursuance of the application mentioned in the preceding paragraph shall be in the form therein stated and duly signed by the company or its authorized agent."

Law of 1915 (Act No. 38), Sec. 1. "Whenever any person, firm or corporation shall make written application to any insurance company authorized to do business within the State of Michigan to attach to any existing policy or to one to be issued by such company an average or pro rata clause, the latter shall have the right to issue and attach such average or pro rata rider clause but not otherwise." Sec. 2. "Such application shall be made substantially in the following form: hereby request that there be attached to policy No of the insurance company the following pro rata or average clause, to wit: 'It is hereby agreed in case of loss, this policy shall attach in or on each building, division or location in such proportion as the values in or on such buildings, division or location bear to the aggregate value of the property insured. To the provisions of which agree in consideration of a reduced premium rate.'" Sec. 3. "It shall not be necessary for all average or pro rata rider clauses to be in the exact language used in Sec. 2 of this act, but no such clause shall be attached to any policy unless the same shall be an exact duplicate of the clause recited in the application nor until the form thereof shall have been filed with and received the approval

of the Commissioner of Insurance." Prior to the enactment of this law, the Insurance Commissioner had ruled that an average clause that is attached to a policy and has the effect of making the insured a coinsurer, is void.

ANTI-COMPACT—Act 285, 1887, p. 384, Sec. 1. "The people of the State of Michigan enact, that no fire, fire and marine, or marine and inland insurance company or association not organized under the laws of this State shall be permitted to do business therein under the provisions of an act entitled, 'an act relative to the organization and powers of fire and marine insurance companies transacting business in this State,' approved April 3, 1869, until in addition to complying with the provisions of said act, it has filed with the Commissioner of Insurance an undertaking, duly executed and authenticated by the company, in such form as the Commissioner of Insurance shall from time to time prescribe, that it will not, directly or indirectly, enter into any contract, agreement, arrangement or undertaking of any nature or kind whatever with any other company, companies, association or associations, the object or effect of which is to prevent open and free competition between it and said company, companies, association or associations, or the agents of their respective companies or associations in the business transacted in this State or in any other part thereof." Penalty for violation, revocation of license and agent fined \$50 to \$500, or imprisoned for not over three months, or both.

ANTI-REBATE—Sec. 1. "No insurance corporation, association, partnership, Lloyds or individual underwriters, authorized to do business in the State of Michigan, or any officer, agent, solicitor, or representative thereof, or any other person insuring against fire * * * shall make any contract of insurance on property located within this State, or agreement as to such contract, other than as plainly expressed in the policy issued or to be issued thereon; nor shall any such corporation, association, partnership, Lloyds or individual underwriters, or officer, agent, solicitor or representative thereof, or any other person, directly or indirectly, in any manner whatsoever, pay or allow, or offer to pay or allow as inducement to such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy, or any special favor or advantage in the dividends or other benefit to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy or contract of insurance, or give, sell or purchase, or offer to give, sell or purchase, as inducement to such insurance, or in connection therewith, any stock, bonds or other securities of any insurance company, or other corporation or association, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the policy, nor shall any insurance agent or representative, or any other person, directly or indirectly, either by sharing commissions or in any manner whatsoever, pay or allow or offer to pay or allow as inducement to such insurance, or after the insurance shall have been effected, any rebate from the premium which is specified in the policy; nor shall the insured, his agent or representative, directly or

indirectly, accept or knowingly receive any such rebate from the premium specified in the policy; Provided, That this section shall not prevent any corporation, person, partnership, or association lawfully doing any of the kinds of insurance or indemnity in this State, herein enumerated, from the distribution of surplus and dividends to policyholders after the first year of insurance; provided, further, that nothing herein contained shall prohibit agents engaged in the business of soliciting, writing or making any of the kinds of insurance or contracts herein enumerated, for any company or association duly licensed to do business in this State, from receiving commissions on any such insurance or contracts effected for others or for themselves, or prohibit said agents from paying commissions or to any duly authorized solicitor or to other agents engaged in the business of soliciting, writing or making such insurance or contracts for any company or association duly licensed to do business in this State, when such agent or agents have assisted in the soliciting, writing or making of such insurance or contract; and provided, further, That nothing herein shall prevent the payment on participating policies or by a mutual company of an equitable portion of the earnings of any such company, called dividends, nor prevent the applying of such dividends on the payment of premiums. Sec. 2. Any person knowingly receiving as inducement to such insurance or indemnity, as enumerated in Sec. 1 of this act, any rebate of premium, shall be guilty of a misdemeanor, and shall upon conviction be fined the sum of \$100, or be imprisoned in the county jail for thirty days, or both. Sec. 3. Any corporation, association, partnership, Lloyds, or individual underwriters, or agent, solicitor, representative or any other person or persons, violating any of the provisions of Section 1 of this act, shall be guilty of a misdemeanor, and shall upon conviction thereof be fined in any sum not less than \$100 nor more than \$500, or shall be imprisoned in the county jail for any period not exceeding six months, or both. Sec. 5. The provisions of this act shall not apply to town and county fire, hail and wind storms mutual companies authorized to do business under the laws of this State. Sec. 6. All acts or parts of acts in conflict with any of the provisions of this act are hereby repealed." Rating law forbids discrimination.

ATTORNEY—A resident of the State must be appointed to receive service of legal process, and company must file a stipulation agreeing that legal process served upon the Commissioner or his deputies shall be binding.

CANCELLATION OF POLICY—Five days' notice required by standard policy. A law passed in 1911 provides that the company may provide that the policy cannot be cancelled by company while insured property is endangered by forest fire or other conflagration.

CAPITAL REQUIRED—Domestic and other companies must have capital of at least \$100,000.

COMMISSIONS TO NON-RESIDENTS—Department rules that, because of resident agents' law, commissions can only be paid to resident agents.

An agent cannot place insurance offered him by a non-resident agent unless he receives the entire commission.

DEPOSIT—No special deposit required. Foreign companies must have \$200,000 on deposit in one of the United States," in accordance with the laws thereof."

DOMESTIC COMPANIES—Chap. VI, Sec. 1. "Any number of persons, not less than seven, may associate together and form an incorporated company for any or all of the following purposes, to wit: First. To make insurance on dwelling houses, stores, and all kinds of buildings, and upon household furniture, goods, wares and merchandise, and any other property, against loss or damage by fire; Second. To make insurance as aforesaid upon vessels, freights, goods, wares, merchandise, and other property, against the risks of inland navigation and transportation; Third. To make insurance upon automobiles, whether stationary or being operated under their own power, against any hazard; Fourth. To make insurance upon vessels, freights, goods, wares, merchandise, specie bullion, jewels, profits, commissions, bank notes, bills of exchange and other evidences of debt, bottomry and respondentia interests and every insurance appertaining to or connected with ocean marine risks; provided, however, that any corporation including in its charter a provision to assume any of the risks specified in this subdivision must have an unimpaired capital paid in in cash, of not less than \$400,000." Sec. 2. "Any company organized under this act shall have power to effect reinsurance of any risks taken by them respectively." Sec. 3. "Such persons shall file in the office of the Insurance Commissioner a declaration signed by them, expressing their intention to form a company for the purpose of transacting the business of insurance, as expressed in the first section of this act, which declaration shall also comprise a copy of the articles of association proposed to be adopted by them, and shall publish a notice of such intention, once in each week, for at least six weeks, in a public newspaper in the county in which such insurance company is proposed to be located." Sec. 6. "The capital stock of any stock company organized under this act shall not be less than \$100,000, in shares of not less than \$25 or more than \$50 each, which capital stock may be increased by a vote of two-thirds of the stockholders, to not more than \$1,000,000, nor shall any company hereafter organized on the plan of mutual insurance, commence business in this State until agreements have been entered into for insurance with at least 200 applicants, the premiums upon which shall amount to not less than \$25,000, of which at least \$5000 shall have been paid in actual cash, and for the remainder of which notes of solvent parties founded upon actual and bona-fide applications for insurance shall have been received." The Commissioner of Insurance has supervision over promotions of new insurance companies.

EXAMINATIONS—Act 108, 1871, p. 172, Sec. 8. "It shall be proper and lawful for the Commissioner of Insurance, or any person authorized by

him, to visit any insurance company in other States or foreign governments for the examination of its affairs, the expenses in all cases to be paid by said insurance companies." The Insurance Commissioner shall charge for services of employees and examiners per diem at the daily rate of salaries paid them. Domestic companies must be examined as often as once in six months.

FEES—License to special brokers to place surplus lines, \$25, payable to Insurance Commissioner. Fee for solicitor's license, \$10; for adjuster's license, \$2 (first one only). Other fees governed by reciprocal provision, payable to Insurance Commissioner. For making copies of papers, 20 cents per folio; for attaching certificate thereto, 25 cents.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—The Commissioner of Insurance is ex-officio fire marshal, with the Deputy Commissioner ex-officio deputy fire marshal. No tax on companies. Expenses paid from State treasury. Chiefs of all fire departments are deputies of the Fire Marshal's Bureau.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed on the first day of June, or within sixty days after their annual meeting, as specified in charter.

GENERAL PENALTIES—Act 136, 1869, p. 230, Sec. 35. "Every insurance company organized under the laws of, or doing business in, this State, shall conform to all the provisions of this act, applicable thereto, on or before the thirty-first day of January, 1870; when necessary, any existing company shall change its articles of association and by-laws, so as to conform hereto by a vote of a majority of its board of directors; and any president, secretary or other officer of any company organized under the laws of Michigan, or any officer, agent or person doing, or attempting to do, business in this State, failing to comply with any of the requirements of this act, or violating any of the provisions thereof, shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall be fined a sum not exceeding \$1000, and be imprisoned in the county jail for a period of not less than thirty days, nor more than six months."

IMPAIRMENT—Whenever Commissioner deems that assets are insufficient to justify the continuance in business, he may require stockholders to make good the amount of any deficiency within thirty days, or thereafter publish a statement of the company's condition. After such first publication the company can not issue policies, but must close up its affairs. Act 136, 1869, p. 230, Sec. 23. "* * * and no agent shall be allowed to transact business for any company whose capital is impaired to the extent of fifteen per cent thereof while such deficiency shall continue." A domestic company failing to make good an impairment may, upon petition and order of court, be taken over by the Commissioner of Insurance, and liquidated.

INTERINSURANCE—Act 278 of 1913. Section 1. "Individuals, partnerships and corporations of this State, hereby designated subscribers, are hereby authorized to exchange reciprocal or interinsurance contracts with

each other, or with individuals, partnerships and corporations of other States and countries providing indemnity among themselves from any loss which may be insured against under other provisions of the laws, including employers' liability and workmen's compensation insurance, and excepting life, health and accident insurance * * * ." An attorney may act for the subscribers, who must file a declaration showing the title; kind of insurance to be exchanged; the form of policy to be used; the form of power of attorney used; the location; that applications have been made for, indemnity upon at least 100 separate risks aggregating not less than \$1,500,000, and that at least \$25,000 is on deposit with the attorney available for loss payments. Service of process may be made upon the Insurance Commissioner. No subscriber may assume any single risk to an amount greater than ten per cent of his net worth, according to commercial agency rating. A reserve of fifty per cent of net annual deposits must be carried, with a minimum of \$25,000. Annual statements must be filed on or before February 15. A certificate of authority must be secured annually, and a tax of two per cent of gross premiums or deposits, less amounts distributed to subscribers or credited to their accounts, must be paid to the State.

INVESTMENTS PRESCRIBED—Law of 1907, Sec. 8. "It shall be lawful for any fire insurance company organized under this act or incorporated under any law of this State, to invest its capital and the funds accumulated in the course of its business, or any part thereof: (a) In bonds or notes secured by mortgage lien upon unincumbered real estate worth at least double the amount loaned; (b) First, in bonds of the United States, or any State or Territory of the United States; provided, that such State or Territory has not in the ten years preceding the time of such investment repudiated its debt and failed to pay the same, or the interest due thereon, or upon any part of such debt; or, second, in the public debt or bonds of any city, county, township, village or school district of any State or Territory in the United States, which shall have been authorized by the legislature of such State or Territory; provided, that such State or municipality has not, in the ten years preceding the time of such investment, repudiated its debt and failed to pay the same or the interest due thereon, or upon any part of such debt; and provided further that the net indebtedness of said city, county, township, village or school district shall not exceed five per cent of the assessed valuation of all the real estate of said city, county, township, village or school district, said valuation to be on the basis of the last preceding equalization of the State board for counties, and the proportionate amount thereof. The term net indebtedness in this section shall be construed to denote the indebtedness of any city, county, township, village or school district, omitting debt created for supplying the inhabitant with water and deducting the amount of sinking funds available for the payment of such indebtedness. Third, in the legally authorized first mortgage bonds of any steam railroad corporation organized under the laws of any State of the United States; provided, that such company has

for five years prior to the time of making such investment by said insurance company, paid annually dividends equal to not less than four per cent on its entire capital stock and has not during said period defaulted in the payment of the matured principal or interest of any debts incurred by it and secured by mortgage or trust deed upon its property or any part thereof, or in the payment of any part of the matured principal or interest of any of the bonds guaranteed or assumed by it; or, fourth, in the first mortgage bonds of railroad companies whose lines are leased or operated or controlled by any railroad company specified in paragraph three, subdivision b of this section, if said bonds be guaranteed both as to principal and interest by the railroad company to which said lines are leased or by which they are operated or controlled. Fifth, in the legally authorized mortgage bonds of any steam railroad incorporated under the laws of any State of the United States, which shall have been issued for the purpose of retiring all prior mortgage indebtedness on so much of the property of such company as is covered by the mortgage securing such issue of bonds, and further providing for additions, extensions or improvements; provided, that such company has for three years prior to the time of making such investment by said insurance company, paid annually dividends equal to not less than four per cent on its entire capital stock, which capital stock shall equal or exceed in amount one-third of the par value of all its bonded indebtedness, and has not during the same period defaulted in the payment of the matured principal or interest of any debts incurred by it and secured by mortgage or trust deed upon its property or any part thereof, or in the payment of any part of the matured principal or interest upon a bond guaranteed or assumed by it; provided further, said issues of bonds shall have been approved by the securities commission hereinafter referred to. Sixth, in the legally authorized first mortgage bonds of any electric railroad, street railway, gas or electric light or power company, organized under the laws of the State of Michigan; provided, that such company has for five years prior to the time of making such investment by said insurance company, paid annually dividends equal to not less than four per cent on its entire capital stock, and has not during the same period defaulted in the payment of the matured principal or interest of any debts incurred by it and secured by mortgage or trust deed upon its property or any part thereof, or in the payment of any part of the matured principal or interest of any bonds guaranteed or assumed by it; or in the first mortgage bonds of any such company which has been in operation less than five years. Provided further, that the cost of construction and equipment of the plant of such company shall exceed by at least fifty per cent the amount of the entire bonded indebtedness of such company, and the said plant and equipment shall be free from all other liens and encumbrances, and the said company shall have earned during the period it has been in operation, more than enough to pay all interest accrued on all said bonds and not less than four per cent per annum dividends upon its entire capital

stock outstanding. Provided further, said issues of bonds shall have been approved by the securities commission hereinafter referred to. Seventh, in the legally authorized first mortgage bonds of steamship companies; provided, that such mortgages shall be upon steel steamship or steamships for the carriage of freight or package freight and passengers combined, upon the Great Lakes and connecting waters, of at least five thousand tons carrying capacity each; provided further, such bonds are issued at the time of the completion and enrollment of such steamship or steamships, or within one year thereafter; provided further, that by the express terms of said mortgage at least ten per cent of the total issue of said bonds shall be retired annually, beginning within two years from the date of said bonds, and that the mortgage liability against said property shall not exceed one-half of its actual cost; provided further, that the trustee of such mortgage shall be required to protect the lien of said mortgage by attending to the recording thereof and by causing property covered by said mortgage to be insured against all risks on vessel property ordinarily covered by such insurance, including marine risks and disasters, general and particular average, collision liability, protection and indemnity insurance and insurance against liability for injuries to persons, in insurance companies and under forms of policies approved by the trustee, for an amount equal to the full insurable value of such steamship, such insurance to be made with loss payable to said trustee and policies deposited with it; provided further, that by the terms of such mortgage, the mortgagor shall not suffer such steamship to become indebted in an amount exceeding five per cent of the original amount of the principal of said mortgage at any time, and that the failure of the mortgagor to forthwith procure the release of such steamship or steamships from mechanics', laborers', admiralty, statutory or other liens, claims or charges against such steamship shall constitute a default in the provisions of such mortgage; provided further, that such bonds shall have been approved by the securities commission hereinafter referred to. Eighth, said insurance companies may loan the same upon negotiable paper, or other evidences of indebtedness, secured by any of the above mentioned classes of security; or, ninth, upon negotiable notes secured by pledge of stock of national or State banks which have a surplus of twenty-five per cent more than the capital; provided, that such loan shall not exceed eighty-five per cent of the market value of the stock; and to change and reinvest the same from time to time as occasion may require; provided, further, that the total amount loaned on bank security collateral shall not exceed fifteen per cent of the capital and surplus of the insurance company. Tenth, the securities commission referred to in subdivision b, paragraphs five, six and seven, shall be the securities commission created by section sixty-seven, act number two hundred sixty-two of the Public Acts of nineteen hundred five, being 'An act to amend sections twenty-seven and fifty-two of act number two hundred five of the Public Acts of eighteen hundred eighty-seven, entitled "An act to revise the laws

authorizing the business of banking and to establish a banking department for the supervision of such business," as amended, being compiler's sections six thousand one hundred sixteen and six thousand one hundred forty-one respectively of the Compiled Laws of eighteen hundred ninety-seven, as amended by act number two hundred sixty-five of Public Acts of eighteen hundred ninety-nine, and by adding a new section thereto to stand as sixty-seven of said act;' approved June sixteen, nineteen hundred five. Provided, that not more than one-fourth of the capital and surplus of said insurance company shall be loaned on or invested in the bonds of any one steam railroad, and not more than one-tenth of the capital and surplus shall be loaned on or invested in the bonds of any one railroad corporation described in paragraphs two and three of subdivision b, and not more than one-twentieth of the capital and surplus shall be loaned on or invested in the bonds of any one company or corporation described in paragraphs five, six and seven of subdivision b; and not more than one-tenth of the capital and surplus of the insurance company shall be loaned to any one person, corporation or firm on the collateral pledges allowed by paragraph b of this section." No company may hold more real estate than is necessary for the accommodation of its business, except that conveyed to it by way of security or satisfaction for debts, which must not be owned longer than five years, except by permission of the Commissioner of Insurance.

LICENSED BROKERS—Act 199, 1895, p. 368. "That the Commissioner of Insurance, upon the annual payment of a fee of twenty-five dollars for the use of the State, may issue licenses to the citizens of the State of Michigan, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State, but which are duly authorized to do business in other States having Insurance Commissioners." Bond of \$2000 required. Penalty for violation, revocation of license. Any individual, firm, corporation or association unable to procure sufficient indemnity in licensed companies, on filing affidavit to that effect, may be authorized by the Commissioner to procure the needed additional indemnity in unlicensed companies, but shall pay a tax of 4 per cent on premiums paid for such insurance.

LIMIT ON A SINGLE RISK—American companies must not expose themselves to an amount exceeding ten per cent of their paid-up capital; foreign companies, ten per cent of deposit capital in the United States. As amended in 1913, excess may be reinsured in companies authorized in Michigan.

LLOYDS—Act 134, 1895, p. 263. "That whenever any number of individuals, citizens of the United States, associate themselves within this State or elsewhere for the purpose of doing an insurance business upon the plan known as Lloyds, whereby each becomes liable for a proportionate part of the whole amount insured by a policy executed by them, shall deposit with any bank or trust company of the United States, approved by the Commissioner of Insurance of this State, \$200,000 in cash or securities approved by the

Commissioner of Insurance for the security and benefit of the holders of policies issued by them, and shall cause a report to be made under oath of their financial standing and of the character and value of the securities constituting the \$200,000 aforesaid, which report shall be attested by the general manager or attorney in fact of said individuals, together with a statement of the business done by them during the year next preceding such statement, in the same manner and form and at the same time as is now required by law of insurance corporations organized under the laws of other States and countries, and shall pay into the hands of the State Treasurer a specific tax of three per cent annually on the gross amount of premiums received in money or securities on insurance effected on property in this State, and shall at the same time appoint an attorney in fact in this State, upon whom process can be served as upon all of said individual underwriters so associated, then and in that case the Commissioner of Insurance shall issue to said individuals under the associate name which they may or shall adopt a certificate of authority to transact the business of insurance in this State, subject to the laws of this State that now govern fire insurance companies of this and other States authorized to do business in this State."

MISCELLANEOUS—A company must transact business only in the name under which it is incorporated. Department or general agency name may be stamped or printed on bottom of the filing back. No fee or charge may be collected beyond the premium named in a policy.

MUTUAL COMPANIES—Act 36, 1883, p. 26. "That it shall be lawful for any mutual fire insurance company, organized under the laws of the State of Michigan or of any other State of the United States, and being possessed of at least \$100,000 of actual net cash assets, to transact the business of fire insurance in this State, in like manner as stock companies of other States may do, upon receiving from the Commissioner of Insurance a certificate of authority. Such amount of \$100,000 shall be deemed to be the actual capital of such company, and shall be treated as capital by the Commissioner of Insurance in determining the solvency of such company. In all other respects such mutual fire insurance companies shall be subject to all the penalties and provisions of law applicable to stock fire insurance companies of other States transacting business in the State." Mutual lumber, mill and factory companies may be admitted on \$10,000 cash and \$200,000 contingent assets; and hardware and implement dealers' mutuals on \$10,000 cash and \$100,000 contingent assets. Farmers' mutuals must file a list of agents with the Insurance Department and receive license for same in same manner as other companies. See "Domestic Companies." Special provision is made for the organization of mercantile, millers', manufacturers', threshers', retail lumber dealers', mercantile shoe dealers', and log and timber mutual companies. A law of 1915 provides for the organization of mutual automobile companies.

PRELIMINARY DOCUMENTS—Company must file certified copy of charter and verified financial statement, and also stipulate that it will not

enter any agreement of any kind with any other company to prevent free and open competition in the matter of insurance; foreign companies must file copy of the charter duly certified to by officers of the State having custody of same, deed of settlement, statement; appointment of attorney for acceptance of service, accompanied by copy of note of appointment; appointment of United States manager to be executed by head office on blank furnished by department; receive certificate of authority and publish same four successive times in paper of general circulation. Penalty for transacting business without complying with law, fine of \$500 and \$500 additional for each month engaged in such business. No certificate will be granted to a company issuing policies in Michigan without authority until a fine of \$250 has been paid. Annual certificates of compliance with laws of company's home State are required. Copy of certificate of authority must be filed with county clerk of each county in which the company has agents (fee to clerk, 25 cents).

PUBLICATION—A copy of statement must be published upon admission (only) in a paper of general circulation at least four successive times (expense \$25). Penalty for advertising false statement, fine of not exceeding \$1000 and imprisonment from one to six months; for false advertisement of capital, fine of \$100 or imprisonment for three months, or both, for every officer or other person participating in such misrepresentation; for failure to secure and advertise annual renewal of certificate, \$500, and \$100 additional for each month's delay.

RATING BUREAUS TO BE MAINTAINED—Every company must maintain or be a member of a rating bureau, which latter shall be under the supervision of the Commissioner of Insurance. Unfair discrimination between risks in the application of credits and changes, or between risks of essentially the same hazard, is forbidden.

RECIPROCAL LAW—Act of 1907, Sec. 1. "Whenever, by the existing or future laws of any State, an insurance corporation of this State or agent thereof is required to make any deposit of securities in such other State for the protection of the policyholders or otherwise, or to make payment for taxes, fines, penalties, certificates of authority, valuation of policies, license fees, or otherwise, greater than is required by the laws of this State for similar corporations of such State, the insurance companies of such States shall be and they are hereby required as a condition precedent to their transacting business in this State, to make a like deposit for like purposes with the State Treasurer of this State, and to pay to the Commissioner of Insurance for taxes, fines, penalties, certificates of authority, valuation of policies, license fees and otherwise a rate equal to such charges and payments imposed by the laws of such other State upon similar corporations of this State and the agents thereof. In the case of fire department or salvage corps taxes or other local taxes the rate shall be computed by the Commissioner of Insurance by dividing the total of such payments made by insurance corporations of this State in such State by the gross

premiums received by such corporations in such State less return premiums. Any corporation refusing for thirty days to make payment of such fees or taxes as above required shall have its certificate of authority revoked by the Commissioner of Insurance. Provided, that corporations organized under the laws of any State or country other than these United States shall, as to the provisions of this act, be considered corporations of that State wherein their general deposit for the benefit of its policyholders is made." See "Taxes."

REINSURANCE—Act 240, 1899. "No person, association or corporation transacting fire and marine insurance business in this State shall, directly or indirectly, contract for or effect reinsurance of any risk in any company, corporation or association not licensed by the Commissioner of Insurance of this State to transact fire or marine insurance business therein." Penalty for violation, \$100 for each offense and revocation of license. Reinsurances must be reported annually, but reinsurance policies need not be signed by resident agents.

REINSURANCE RESERVE—Fifty per cent of premiums having less than one year to run and pro rata of all other premiums. "Provided that when the reinsurance reserve, calculated as above, is less than forty per cent of all the premiums received during the year, the reinsurance reserve shall be the whole of the premiums received on all unexpired risks." The whole premiums on perpetual fire risks, one hundred per cent on marine trip risks and fifty per cent on annual marine risks.

RESIDENT AGENTS—Act 132, 1911, Sec. 1. "It shall be unlawful for any insurance company, legally authorized to transact business in the State of Michigan, to write, place, or cause to be written or placed, except through a duly licensed agent in this State, any policy or contract for indemnity for insurance in the State of Michigan, in or through any such legally authorized company outside of the State of Michigan." The Attorney-General, in February, 1914, construed this law as meaning that all insurance on Michigan property must be placed in the first instance through bona-fide residents of Michigan, who must be the prime factors in securing the placing of policies. Penalty for violation, revocation of license for ninety days. Reinsurance policies need not be signed by resident agents.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—The Michigan Standard Policy form is required to be used, under a penalty of \$250 for each policy issued other than the required form. Act 167, 1897, p. 214, Sec. 3. "There shall hereafter be inserted in, or by stamp or rider affixed upon, the standard form of insurance policies used in this State, after the clause which contains the conditions for a breach of which without the consent of the company indorsed thereon the policy is declared void, a proviso in substance as follows: Provided, a loss shall occur on the property insured while such breach of condition continues, and such breach of condition is the primary or contributory cause of the loss." See "Anti-Coinsurance."

TAXES—Act 136, 1869, as amended 1903. "Any fire insurance company, association or partnership, incorporated by or organized under the laws of any other State, or any foreign government doing business within this State, shall * * * pay into the hands of the State Treasurer a specific tax of three per cent on the gross amount of all premiums received in money or securities during the said year, and in ascertaining the gross amount of all premiums received or secured, the return premiums on canceled policies shall be deducted, and shall not be included in the term, 'gross amount of premiums;' * * * provided, however, that when, by the statutes or rulings of the insurance department of any State, a tax is laid or levied upon the amount of the gross receipts of premiums received upon any company organized under the laws of this State and doing business in such State, which amount of gross receipts shall include return premiums, then insurance companies from that State doing business in this State, shall be taxed upon the amount of gross receipts for premiums without excluding the cancellation; provided, further, that all companies transacting any reinsurance business in any manner shall pay the above tax upon the original premium received by the reinsured company on that portion of the risk reinsured; provided, however, said reinsuring company may deduct from such premiums that portion of such premiums upon which the reinsured company has paid the above three per cent tax." Retaliatory law applies if home State of company exacts more than the Michigan rate of taxation. Under a Supreme Court decision (in 1913) "a foreign company is not obliged to pay a tax on business reinsured from a Michigan company." A tax of four per cent of gross premiums, less return premiums, received by brokers for unauthorized companies, must be paid. Mutual companies are allowed to deduct dividends paid to Michigan policyholders in reporting premiums for taxation. Interinsurance associations pay two per cent on gross premiums less amounts distributed or credited to subscribers.

TAX STATEMENTS—Must be filed annually on or before February 15.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

MINNESOTA.

STATE REQUIREMENTS.

AGENTS DEFINED—Ins. Laws, Sec. 206. "Every person who solicits insurance and procures an application therefor, shall be held to be the agent of the party afterwards issuing insurances thereon or a renewal thereof." Ins. Laws, Sec. 440. "Every insurance agent or broker who acts for another in negotiating a contract of insurance by an insurance company shall be held to be the company's agent for the purpose of collecting or securing the premiums therefor, whatever conditions or stipulations may be contained in the contract or policy. Whenever any such agent or broker, by fraudulent representations, procures payment, or an obligation for the payment, of an insurance premium, he shall be guilty, in the first offense, of a misdemeanor, and for each subsequent offense of a gross misdemeanor."

AGENTS' LICENSES—Agents of companies, foreign and domestic, must procure from the Commissioner certificates of authority, which are renewable annually by March 1. Each member of a firm must be separately licensed. Agents are personally liable for contracts unlawfully made, and on policies of unauthorized companies issued through them. Fraudulent representation, or doing business for an unauthorized company, is a misdemeanor. Applications for licenses must be made by company officials, or by a person authorized to appoint agents, by a power of attorney filed with the Insurance Department. An agency corporation is not recognized in the matter of issuing licenses, but every individual who in any way acts for an insurance company in the negotiation of insurance, must have a license. This applies to each member of a firm or corporation.

ANNUAL STATEMENTS—Fire companies' statements must be filed on or before February 1, and all others by February 15, in the form prescribed by the Insurance Commissioner. These statements are the only ones required to be filed annually. Time may be extended, for good cause, to March 1. Penalty for failure to file statement in the form prescribed, and within the time specified, \$100 for each day's neglect, and liability to suspension of authority during default; for making false statement, fine of \$500. Any person swearing to false statement is guilty of perjury. Town and farmers' mutual companies must hold annual meetings before July 1, and file annual report on or before February 1 each year.

ANTI-COINSURANCE—Ins. Laws, Sec. 206. "Every company insuring any building or other structure against loss or damage by fire, lightning, or other hazard, by the issue of a policy or renewal of one theretofore issued, or otherwise, shall cause such structure to be previously examined, a full description thereof to be made, and its insurable value to be fixed, all

by the insurer or his agent, and the amount thereof to be stated in the policy. In the absence of any change increasing the risk, without the consent of the insurer, of which the burden of proof shall be upon it, and in the absence of intentional fraud upon the part of the insured, the whole amount mentioned in the policy or renewal upon which the insurer receives a premium shall be paid in case of total loss, and in case of partial loss the full amount thereof. If there are two or more policies upon the property, each shall contribute to the payment of the whole or partial loss in proportion to the amount specified. Any policy where the entire risk covered by the same amounts to \$5,000 or more, may contain a coinsurance clause, if the insured requests same in writing, of which fact such writing shall be the only evidence, and if in consideration thereof, a reduction in the rate of premium is made by the company. When so demanded and attached to the policy, said agreement shall be binding upon both the insured and the company, and in case of loss the actual cash value of the property so insured at the time of the loss, including the buildings, shall be the basis for determining the proper amount of such coinsurance and the amount of loss, notwithstanding any previous valuation of such building."

ANTI-COMPACT—No rating agreement is permitted except in compliance with the law concerning rating bureaus.

ANTI-REBATE—No deviations from rating bureau rates are permitted except such as apply to an entire class of risks and on fifteen days' notice to Commissioner and bureau.

ATTORNEY—The Insurance Commissioner must be empowered to accept service of legal process, proofs of loss notices, etc. Insurance Laws, Sec. 493, requires that every foreign corporation for pecuniary profits shall maintain a public office in the State for the transaction of its business, "and shall appoint an agent, who shall reside in the county in which said public office is located, duly authorized to accept service of process," etc.

CANCELLATION OF POLICY—Insured may cancel at any time, and the insurance company may cancel at any time, upon giving ten days' notice.

CAPITAL REQUIRED—Stock companies must possess paid-up capital of not less than \$100,000, and, if a company's articles of incorporation so provide, hail, lightning and tornado insurance, as well as fire insurance, can be transacted on this amount of capital. Ocean or inland marine companies must have \$100,000 capital paid up. Companies transacting both fire and marine insurance must have \$200,000 capital, but may also engage in automobile and sprinkler leakage insurance. (Ins. Laws, Sec. 26.) Mutual companies must possess a surplus over and above all liabilities, including reinsurance reserve, and companies organized to do a general fire insurance business must have at least \$750,000 insurance in force, covering no less than 300 separate risks.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Foreign companies are required to have on deposit in one of the United States a sum not less than the capital required of a domestic

company (\$100,000), in securities of like character and subject to the same limitations as are investments of domestic companies. See "Investments Prescribed."

DOMESTIC COMPANIES—Insurance corporations may be organized to transact various branches of business. The certificate of incorporation, in addition to the general requirements, shall specify the territory in which the company may do business, and, except in stock corporations, the qualifications of members, the method of providing corporate funds, and the classes of property which it may insure. **Mutual companies.**—Rev. Insurance Laws, Sec. 225. "No policy shall be issued by a mutual fire company other than a town or farmers company, until not less than \$750,000 of insurance, in not less than 300 separate risks upon property in this State, has been subscribed for and entered upon the books * * *" **Exceptions:** Creamery mutuals, \$50,000 insurance on 25 risks; retail hardware mutuals, \$500,000 insurance on 200 risks; dwelling and barn mutuals, \$250,000 insurance on 200 risks; printers and publishers mutuals, \$200,000 insurance on 200 risks; grain dealers mutuals, \$100,000 insurance on 50 risks. A township mutual fire insurance company may be organized by not less than twenty-five persons residing in adjoining towns, and owning in the aggregate property worth at least \$50,000.

EXAMINATIONS—Insurance Laws, Sec. 6. "At least once in every two years, the Commissioner of Insurance shall personally, or by his deputy, actuary, examiners or other salaried employe of his office, visit each domestic insurance company, other than township mutual fire insurance companies, and carefully examine its affairs for the purpose of ascertaining its financial condition and ability to fulfill its obligations, and if it be complying with all the provisions of law. He may also make such examination at any other time that he shall have reason to believe that such company is in an unsound condition, or that it is not conducting its business according to the provisions of law. He may also personally or by his deputy, actuary, examiners or other salaried employe of his office whenever he shall deem it necessary, make an appraisal of any or all of the company's assets. The Commissioner, or person making the examination by his direction, shall have free access to all books and papers of any company, and of the books and papers of any of its agents, that may relate to its business, and may summon and examine under oath of its directors, officers, agents, trustees, or other persons, in relation to its affairs and condition. The Commissioner of Insurance may in like manner, whenever he deems it necessary, make an examination of the affairs, or an appraisal of any or all of the assets of any insurance company admitted, or applying for admission to do business under the laws of this State. In the case of foreign insurance companies admitted or applying for admission to do business in this State, the Insurance Commissioner may, in his discretion, accept the report of examination made by the commissioner of insurance or corresponding officer of the State in which such company has its home office, in lieu of making the ex-

amination of such company authorized by the laws of this State." Insurance Laws, Sec. 7. "When any such visitation, examination or appraisal is made by the Insurance Commissioner, his deputy, actuary, or chief examiner, the company so examined, except township mutual fire insurance companies and companies organized exclusively to write insurance against loss or damage by cyclone, tornado and windstorm, or any one or more of of them, upon the mutual plan shall pay a fee to the said Department of insurance of \$15 per day for each and every day necessarily occupied by such person, and each one thereof, in making said examination, or in making an appraisal of any of the assets of said company. When such visitation, examination or appraisal is made, or engaged in, by any other person regularly employed in the said Department of Insurance and receiving a salary from the State of Minnesota, the company so examined, except township mutual fire insurance companies, and companies organized exclusively to write insurance against loss or damage by cyclone, tornado and windstorm, or any one or more of them, upon the mutual plan, shall pay as fees to the said Department of Insurance the sum of \$10 per day for each and every day necessarily occupied by such other person, and each one thereof, in making or assisting to make, the examination, or in making an appraisal of any of the assets of said company, in addition to the fees mentioned herein the company so examined shall also pay to the Department of Insurance the necessary expenses of any such person or persons so engaged in connection with any such examination or appraisal. All of which fees and expenses shall be accounted for and turned into the treasury of the State of Minnesota." In case of the examination of township and tornado mutual insurance companies the actual expenses only thereof shall be charged.

FEES—

1. By township mutual fire companies, and mutual hail, tornado and cyclone companies having an annual expense of not more than \$1,000; for filing certificate of incorporation, \$2; for filing annual statements, \$1; for certificate of authority, annually, \$1.
2. By other domestic companies: For filing certified copy of certificates of incorporation and accompanying documents, for obtaining license, \$30; each company's certificate of authority, \$1; for each agent's certificate of authority, twenty-five cents.
3. By foreign companies: For filing certified copy of charter or certificate of incorporation and by-laws, \$30; for filing statement of financial condition, \$20; each company's or agent's certificate of authority, \$2 (license required for each member of a firm or corporation).
4. By all companies (except township mutual, and mutual hail, tornado and cyclone companies having an annual expense of not more than \$1,000): For filing certified copy of amendment to articles of incorporation, \$10; for filing annual statement, \$20; for abstracts or summaries of annual statements, for publication, when prepared by Commissioner, \$10.

5. General fees: For each certificate, including certified copy of certificate of authority, renewal, valuation of life policy, corporate condition or qualification, \$1; for each copy of paper on file in his office, 20 cents per folio, and \$1 for certifying same; for license to procure fire insurance in unadmitted foreign companies, \$10; for each broker's license, \$10; for receiving and forwarding copy of summons or process served upon Commissioner of Insurance, as attorney for any insurance company, \$2, which amount shall be paid by the party serving the same, and may be taxed as other costs in the action. See "Reciprocal Law" and "Examinations." Fees are payable to Insurance Commissioner. Fee for filing documents and procuring certificate from Secretary of State (minimum), \$52. See "Preliminary Documents" and "Attorney."

FIRE DEPARTMENT TAX—Included in State tax. See "Retaliatory Law."

FIRE MARSHAL—Investigation of fires by a State Fire Marshal is provided for. A tax of three-eighths of one per cent on net premiums, payable on or before the first Monday in April, is levied on fire insurance companies (except town mutuals) for the maintenance of the office.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—Issuing a policy in violation of law constitutes (first offense) a misdemeanor or (subsequent offense) a gross misdemeanor. In addition to other penalties, a guilty company shall be disqualified from doing business until all fines are paid and for one year thereafter. Any violation of the law not specifically designated is deemed a misdemeanor for a first offense, and a gross misdemeanor for each subsequent offense.

GUARANTY SURPLUS AND SPECIAL RESERVE FUNDS—Insurance Laws, Sec. 214. "After the date of filing any such resolution with the Insurance Commissioner, such company shall not make or declare or pay in any form any dividend upon its capital stock, exceeding eight per cent per annum thereupon and six per cent per annum upon the surplus funds to be formed hereunder, until after its guaranty surplus fund and its special reserve fund shall have altogether accumulated to an amount equal to its capital stock; and any part of the surplus profits of such company above such annual dividend, may be equally divided between and set apart to constitute the said guaranty surplus fund and the said special reserve fund, which funds shall be held and used as herein-after provided, and not otherwise. And any company doing business under this chapter, whose guaranty surplus fund and special reserve fund shall have together accumulated to an amount equal to its capital stock, may, from time to time, declare dividends out of its surplus profits in such amounts as its board of directors may prescribe, subject only to the limitation that the payment of such dividends shall not deplete its capital, nor reduce the aggregate amount of the guaranty surplus and special reserve funds to an amount less than the amount of its capital stock; and subject to the further limitation that no dividends exceeding

ten per cent upon the capital stock shall be declared in any year if the payment thereof would reduce the aggregate amount of all surplus funds, including guaranty surplus and special reserve funds, below an amount equal to twice the capital. And any company doing business under this chapter, which shall declare or pay any dividend contrary to the provisions herein contained, shall forfeit its charter and be liable to be proceeded against by the Attorney-General for its dissolution."

IMPAIRMENT—Limit of impairment permitted, twenty-five per cent of capital, or deposits of foreign companies.

INVESTMENTS PRESCRIBED—Insurance Laws, Sec. 32. "* * *

Except as otherwise provided by law, the funds of every domestic company shall be invested in, or loaned upon, one or more of the following kinds of securities or property, and under the restrictions and conditions herein specified, viz.: 1. Bonds or treasury notes of the United States, national or State bank stock, interest bearing bonds or certificates of indebtedness at market value of this or any other State, or of any city, town, or county in this or any other State, or of the Dominion of Canada or any province thereof, having legal authority to issue the same, at market value, subject in every case to the same limitations and restrictions, according to the last assessment for taxation, which exists in this State upon issue of securities by such or like municipalities at the date of the investment. 2. Notes or bonds, approved by the Commissioner, secured by first mortgage on improved real estate in this or any other State, worth at least twice the amount loaned thereon, not including buildings unless insured by policies payable to and held by the security holder. 3. Stocks or bonds at market value, approved by the Commissioner, upon which stock interest or dividends of not less than three per cent have been regularly paid for three years immediately preceding the investment of any public service corporation incorporated by or under the laws of the United States, or any State, or the Dominion of Canada, or any province thereof. * * * 5. Promissory notes maturing within six months, secured by the pledge within six months, secured by the pledge of registered terminal warehouse receipts issued against grain deposited in terminal warehouses as defined in Sec. 4435, Revised Laws of Minnesota for 1913. At the time of investing in such notes the market value of the grain shall exceed the indebtedness secured thereby, and the note or pledge agreement shall provide that the holder may call for additional like security or sell the grain without notice upon depreciation of the security. The insurance company may accept, in lieu of the deposit with it of the warehouse receipts, a trustee certificate issued by any national or State bank at a terminal point, certifying that the warehouse receipts have been deposited with it and are held as security for the notes. The amount invested in the securities mentioned in this subdivision shall not at any time exceed twenty-five per cent of the capital stock of the company. 6. Loans on pledge of any such securities, but not exceeding eighty per cent of the market value of stocks and ninety-five per

cent of the market value of bonds specified in subdivisions 1 and 3, and in all loans reserving the right at any time to declare the indebtedness due and payable when in excess of such proportion or upon depreciation of security." Ins. Laws, Sec. 40. "The real estate acquired or held by any domestic company for the convenience and accommodation of its business shall not exceed in value twenty-five per cent of its cash assets; nor shall any foreign company acquire or hold for like purposes real property in this State in greater proportion. All other real estate shall be disposed of within five years after title thereto is acquired, unless the company obtains a certificate from the Commissioner that its interests will be materially prejudiced by such sale, and extending the time to a date named, and then within the time so specified." Law of April 21, 1909. "Any domestic insurance company authorized to transact the business of fire insurance or fire and marine insurance, and lawfully transacting business in any foreign state or country, may invest its funds in the bonds or other equivalent obligations issued by the national government of such foreign state or country, and for the payment of which the faith and credit of such foreign state or country is pledged."

LICENSED BROKERS—Chap. 195, Laws of 1915, Sec. 4. "Whosoever, not being the appointed agent or officer of the insuring company, acts for another person, firm or corporation, or in any manner aids another person, firm or corporation, for compensation or profit, in effecting or in procuring insurance, or in placing or securing insurance or in the purchase of insurance; or whoever, not being the appointed agent or officer of the insuring company, procures a policy of insurance to be issued to or on behalf of another person, firm or corporation, or procures insurance to be effected or placed for, or on behalf of another person, firm or corporation, at the request of or with the consent of such other person, firm or corporation, and collects, receives or accepts in money, or other thing of value, or gives credit for, the whole or any part of any premium, policy fee or assessment on or for such policy of insurance, and does not forthwith pay or deliver the whole thereof over to the company or its agent entitled thereto issuing such policy or effecting such insurance, shall be deemed an insurance broker." Brokers must secure licenses expiring annually on March 1.

LICENSES TO PLACE INSURANCE IN UNAUTHORIZED COMPANIES—Persons may be licensed to procure policies of unauthorized companies. Such persons must file a bond, as below, and render statements June 30 and December 31. Ins. Laws, Sec. 383. "* * * He or they shall give bond to the Commissioner in such sum as he shall deem reasonable, with satisfactory resident sureties, conditioned that the obligors, on the expiration of a license to obtain such insurance, shall pay to the Commissioner, for the use of the State, a tax of two per cent upon the gross premiums paid by such licensee." Failure to file affidavit and statement, or making false statement, is punished by revocation of license, and constitutes a gross misdemeanor.

LIMIT ON A SINGLE RISK—Ins. Laws, Sec. 42. “* * * No fire company shall insure or reinsure in a single risk a larger sum than one-tenth of its net assets.” Sec. 36. “* * * If any of them (president and directors) insures or allows to be insured on a single risk a larger sum than is authorized by law, he shall be personally liable for any loss thereon above the amount which might lawfully be insured.” “Net assets” shall mean that portion of the excess of the entire assets over its entire liabilities, exclusive of capital and inclusive of policy liability, available for the payment of its obligations, including capital stock in this State, and including as assets deferred premiums on policies written within 3 months and actually in force, and in case of a mutual marine or fire and marine company, its subscription funds and premium notes not more than 30 days past due and uncollected.”

LLOYDS—Ins. Laws, Sec. 223. “Associations of individuals, citizens of the United States, whether organized within this State or elsewhere within the United States, formed upon the plan known as Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be authorized to transact insurance other than life in this State in such manner and on such terms as the Insurance Commissioner may direct, providing that if such organization shall be possessed of cash on hand and securities of the underwriters satisfactory to the Insurance Commissioner, after deducting all liabilities except insurance reserve to the amount of not less than \$250,000.00, and in addition thereto shall be possessed of guaranteed subscriptions or other securities of the underwriters satisfactory to the Insurance Commissioner to an amount of not less than \$250,000.00, making a total of \$500,000.00 so possessed, and if the net cash on hand shall be equal to the reinsurance reserve calculated on a basis of 50 per cent of the premiums in force on policies running one year or less from date of policy, and a prorated amount on policies running more than one year from date of policy, except upon inland and marine risks, which shall be computed by charging 50 per cent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated, and such other reserves as may be required by law and the Insurance Commissioner, and if evidence shall be furnished to the Insurance Commissioner that the underwriters are men of good financial standing, responsible for their obligations, and that the organization does not issue policies of insurance on any one risk in greater sums than one-fifth of the aggregate of the cash paid in the aforesaid securities and the subscriptions of the several underwriters or the amount to which they may become liable, unless the excess shall be provided for by reinsurance, the Commissioner shall license them under similar requirements as are made and prescribed in this act for the admission of foreign mutual fire insurance companies so far as the same may reasonably apply. Said

association of individuals known as Lloyds are herein expressly authorized to transact insurance known as "sprinkler leakage insurance."

MISCELLANEOUS—Discrimination in premium rates between risks of the same class within the State, is prohibited. Immaterial misrepresentations do not void policies. Companies are forbidden to insure for more than the fair value of insured property. Removal of suits to Federal courts is prohibited. See "Guaranty Surplus and Special Reserve Funds." Ins-Laws, Secs. 275-278, provide for the insuring of public buildings by the State. Formation of new companies and sale of stocks under strict supervision of the Department.

MUTUAL COMPANIES—See "Domestic Companies." Mutual marine company must have guarantee agreements amounting to at least \$300,000.

PRELIMINARY DOCUMENTS—Company must file certified copy of its charter and statement showing financial standing and business; foreign companies must file certified copy of charter; appointment of Insurance Commissioner for acceptance of service of process; financial statement; certified copy of deed of trust; certified copy of power of attorney to United States manager; certificate of compliance; certificate of deposit; acceptance of provisions of the law. Every foreign corporation for pecuniary profit is required by Ins. Laws, Secs. 493, 494, 495, of the Revised Laws of Minnesota for 1905 to maintain a public office in the State; to appoint an attorney to receive service of process in the county in which said office is located; to file a copy of his appointment with the Secretary of State; to file with the Secretary of State a certified copy of its charter, and a statement showing the proportion of its capital stock represented by its property located and business transacted in the State; and to pay into the State Treasury \$50 for the first \$50,000 or fraction thereof of such proportion of capital stock, and \$5 for every additional \$10,000 or fraction thereof of such proportion of capital stock. "In determining the proportionate share of the capital stock upon which license fees shall be paid as aforesaid, the business of said corporation transacted in and out of this State during the year immediately preceding the filing of its articles or certificates as above provided for, shall be considered and shall control." The certificate issued upon compliance with these requirements holds good for thirty years. Penalty for non-compliance, fine of \$1,000. Minimum fee, \$52.

PUBLICATION—Annual statement must be published in a legal newspaper, in the place of the company's home office, if within the State, otherwise in each of the three most populous counties of the State, and in all cases at least three times, and in a daily newspaper conforming to the requirements of Ins. Laws, Sec. 58, which will accept and publish such advertisement, at the rates prescribed by law for legal publications, if there be one, but if not, then in a weekly newspaper having a general circulation in the county of its publication. Publishers' affidavit must be filed. Statement for publication must be prepared by the Insurance Commissioner. Proof

of publication must be filed with the Insurance Commissioner by May 1, or the latter will have publication made at the company's expense.

RATING BUREAU TO BE MAINTAINED—Every company must maintain or be a member of a rating bureau to be maintained by pro rata assessments on members and fees of \$50. Rates of only one bureau may be used for one risk or class of risks. Provision is made for review of rates before Commissioner and the courts. Bureaus are under the supervision of Commissioner. Companies must file copies of rate agreements with the Commissioner.

RETALIATORY LAW—Ins. Laws, Sec. 382. "Whenever by the laws of any other State or country, any taxes, fines, penalties, licenses, or fees, in addition to or in excess of those imposed by the laws of this State upon foreign insurance companies and their agents doing business in this State, are imposed on insurance companies of this State and their agents doing business in such State or country, or wherever any conditions precedent to the right to do business in such State are imposed by the laws thereof, beyond those imposed upon such foreign companies by the laws of this State, the same taxes, fines, penalties, licenses, fees and conditions precedent shall be imposed upon every similar company of such State or country and their agents doing or applying to do business in this State, so long as such foreign laws remain in force." The tax for support of salvage corps is payable absolutely, without regard to the provisions of this section.

REINSURANCE—Ins. Laws, Sec. 42. "If any company other than life shall, directly or indirectly, effect the reinsurance of any risk taken by it, or any part thereof, it shall make a sworn report thereof to the Commissioner, at the time of filing its annual statement, or at such other time as he may request." Sec. 381. "* * * Whenever it (a foreign company) effects reinsurance otherwise than through such (resident) agents, the entire tax thereon shall be paid by the original company, and no reduction shall be made on account of such reinsurance."

REINSURANCE RESERVE—The reinsurance fund must be maintained at fifty per cent of the aggregate premiums on policies for one year or less, and pro rata on policies running more than one year, except upon inland and marine risks, upon which shall be charged fifty per cent of the amount of premiums written in such policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. A company having less than \$200,000 capital, and licensed in Minnesota to transact fire business only, must reserve the full amount of premiums on marine and inland navigation and transportation risks. Mutual fire insurance companies with contingent liabilities must maintain a reinsurance fund of twenty-five per cent of the aggregate premiums on policies running one year or less and fifty per cent of the pro rata amount on policies running more than one year.

RESIDENT AGENTS—Ins. Laws, Sec. 381. "No foreign company shall make its insurance contracts upon lives, property or interests in this State except through lawfully constituted and licensed resident agents."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—The use of a Standard Policy form is required. "Every company and every agent who shall wilfully make, issue or deliver a policy in violation of Sec. 204 (which prescribes the use of the standard policy) shall be guilty of a gross misdemeanor; but every stipulation of such policy in favor of the insured shall, nevertheless, be binding upon the company issuing the same." Policy is not voided by unintentional misrepresentation. No policy shall be issued for a longer term than five years. The Insurance Department has approved certain clauses for use in connection with the Standard Policy form. Tornado insurance rider must not be attached to a fire policy.

TAXES—Two per cent of gross direct premiums received in the State, less return premiums on direct business, payable to State Treasurer on or before March 1. In the case of a domestic company, this tax is in lieu of all other taxes, except taxes upon real property owned by it in the State; and in the case of a foreign company, it is in lieu of all other taxes except upon real or personal property owned by it in the State, a tax of two per cent on gross premiums for the support of a salvage corps in any city wherein such a corps is maintained, and a tax of three-eighths of one per cent to defray the expense attached to the Fire Marshal's office. No credit allowed for reinsurances, but no charge is made for reinsurance premiums received. See "Retaliatory Law." Penalty for refusal to pay taxes or fees, revocation of license.

TAX STATEMENTS—Included in annual statements.

VALUED POLICY—See "Anti-Coinsurance."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

DULUTH—Fire Insurance Patrol, two per cent on premiums.

MINNEAPOLIS—Salvage Corps and Fire Patrol, two per cent on gross premiums.

ST. PAUL—Fire Insurance Patrol, two per cent on gross premiums.

MISSISSIPPI.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—An adjuster must secure a license expiring March 1, annually; fee, \$25 per year.

AGENTS DEFINED—Sec. 2615. "Every person who solicits insurance on behalf of any insurance company, or who takes or transmits other than for himself, an application for insurance, or a policy of insurance, to or from such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine or inspect any risk, or receive, collect or transmit any premium of insurance, or make or forward a diagram of any building, or do or perform any other act or thing in the making or consummation of any contract of insurance for or with any such insurance company, other than for himself, or who shall examine into or adjust or aid in adjusting any loss for or on behalf of any such insurance company, whether any of such acts shall be done at the instance or request or by the employment of the insurance company, or of or by any broker or other person shall be held to be the agent of the company for which the act is done or the risk is taken as to all the duties and liabilities imposed by law." Penalty for knowingly procuring, by fraudulent representations, payment or obligation for payment of premium, fine of \$100 to \$500, or imprisonment for not more than one year. The agent is also personally liable for contracts unlawfully made. Penalty for soliciting, etc., without a license, fine of \$200 to \$500, or imprisonment one to two years, or both.

AGENTS' LICENSES—Agents must procure certificates, renewable annually March 1, from the Insurance Commissioner. Penalty for acting as agent without a license or for unauthorized company, fine of \$100 to \$500; for failure to exhibit license on demand, fine of \$10. Applications for licenses must be made by company officers, under seal, before March 1. See "Taxes." Each officer of an agency corporation, and each employee soliciting business for such corporation, must have a license. License required for each member of a firm.

ANNUAL STATEMENTS—Must be filed by March 1, under penalty of \$100 for each day's neglect. Penalty for making false statement, \$500 to \$1000.

ANTI-COINSURANCE—Use of coinsurance clause forbidden under penalty of \$200 to \$1000. According to a decision of the Supreme Court, Mississippi (May, 1915), a three-quarter value coinsurance clause may be attached to a policy covering real property, household and kitchen furniture, and other personal property not named in the valued policy law, if property named in the valued policy law is specified, exempted from the application of such clause.

ANTI-COMPACT—While the law formerly in force, which related to combinations of fire insurance companies for the purpose of fixing rates, was repealed, it was held by the State Auditor that the Act of March 12, 1900, which was a general law against trusts, combines, etc., included insurance companies. A law which went into effect October 1, 1906, repealed the law of 1900, but virtually re-enacted it. Anti-trust law of 1906 was amended in 1912. The right of an insurance company to use rates made by an advisory rating company is being tested in the courts.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Insurance Commissioner and some resident or residents of the State must be authorized to accept service of legal process.

CANCELLATION OF POLICY—No requirement as to notice to insured. Mortgagee must be given ten days' notice. Provision for domestic mutual companies is made in Sec. 15 of Mutual Fire Ins. Law, approved 1912.

CAPITAL REQUIRED—An outside company must have at least \$100,000 of actual capital. A domestic fire company must have at least \$50,000, and a domestic marine company at least \$25,000. Companies to insure mechanics' tools may be formed with \$10,000 capital.

COMMISSIONS TO NON-RESIDENTS—Payment of commissions to a non-resident agent by a resident agent, except on property of non-residents, is forbidden. See "Resident Agents."

DEPOSIT—Foreign companies must have at least \$100,000 deposited in some State of the United States, invested as per "Investments Prescribed."

DOMESTIC COMPANIES—Sec. 2578. "The proposed corporators, a majority of whom must be residents of the State and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name must not so closely resemble the name of an existing corporation doing business under the laws of this State as to be likely to mislead the public, and must be approved by the Commissioner; the class or classes of insurance it proposes to transact and on what business plan or principle; the place within the State of its location, and, if on the stock plan, the amount of its capital stock. The words 'Insurance Company' must be a part of the title of any such corporation." After meeting and organization, certified copies of the articles of association, etc., must be submitted to the Insurance Commissioner for his approval. On issuance of a certificate of approval the Commissioner shall collect a fee of \$25. Capital must be paid in within twelve months, and no policies shall be issued until capital is all paid in.

EXAMINATIONS—Commissioner may examine any company whenever he deems it prudent to do so, and shall examine each domestic company at least as often as once in two years. A "foreign" company shall only be examined when, upon request of the Commissioner of Mississippi, the Insurance Commissioner of the State of the domicile of such company shall refuse or fail to furnish the information called for. Penalty for refusal to exhibit books or papers, fine or imprisonment, or both. Chap. 69, Sec.

2564. "Before granting a certificate of authority to any insurance company the Commissioner shall be satisfied by examination that it is qualified under the laws of the State to transact business therein, and as to its financial ability and condition as often as once in two years he shall personally, or by deputy or agent, carefully examine the affairs of each domestic company."

FEES—Each fire insurance company (except domestic companies paying ad valorem taxes) must pay a license fee of \$100 (pro rated for portion of year, if issued after March 1); marine company, \$100. Fee for certificate of authority to each general or district agent or manager, \$3 (including seal); for certificate of authority to each local or canvassing agent, \$2 (including seal); filing and examining statement preliminary to admission, \$20; mutual companies, \$10; filing and auditing annual statement, \$10; for copy of annual statement and certificate thereto, \$5; filing any other paper required by law, \$1; for each certificate of examination, condition or qualification of company or association, \$2; for each seal when required, \$1; service process upon Insurance Commissioner as attorney, \$2; for each examination of domestic company, \$25 and actual expenses incurred; for each examination of foreign company, \$25 per diem and actual expenses incurred; for copy of any record paper, 10 cents per hundred words and \$1 for certifying same; for organization certificate of domestic company, \$25; for recording change of capital, \$5; for filing copy of charter, \$20; for license to deal with unauthorized companies, \$20; designation of Insurance Commissioner for service of process, \$1; for each agent in a city of 2000 inhabitants or more, \$30; city of less than 2000, \$15. Adjuster's license, \$25. Fees payable to Insurance Commissioner. See "Taxes." See "Publication."

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—Provision is made for the investigation of fires of suspicious origin, a tax of one-fifth of one per cent being levied on gross premiums to cover the expense of such investigations.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—A company's license may be revoked for any violation of law. For any violation of law not specifically provided for, a person may be fined not more than \$500.

IMPAIRMENT—None permitted under penalty of revocation of license. Impairment not exceeding twenty-five per cent may be made good within three months.

INVESTMENTS PRESCRIBED—A domestic company may invest in real estate, at cost of not more than twenty-five per cent of its cash assets, for the convenient accommodation of its business. Capital may be invested by domestic companies in first mortgages on Mississippi real estate; United States or State bonds not selling below par, or in loans secured by such bonds as collateral; bonds or notes of any city, county or town of Missis-

issippi, whose net indebtedness does not exceed six per cent of taxable values, or in any such bonds selling at a premium, or in loans secured by such bonds as collateral; real estate, not exceeding twenty-five per cent of company's net assets (except when taken under foreclosure, or for a debt); stocks of banks and trust companies which are worth a premium. A fire company must have \$50,000 invested in the first three classes of securities before investing in others, and must not invest more than fifteen per cent of its assets in such stocks. Accumulations of domestic companies may be invested in United States, State, county or city bonds, and real estate mortgages. A license will be refused any company of any State or country which prohibits the investment of assets other than capital in Mississippi State bonds.

LICENSED BROKERS—Sec. 2609. "The Insurance Commissioner, upon the annual payment of a fee of \$20, may issue licenses to citizens of this State, subject to revocation at any time, permitting the person named therein to act as agent to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. Before the person named in such license shall procure any insurance in such companies on any property in this State he shall, in every case execute and file with the Commissioner an affidavit, which shall have force and effect for one year only from the date thereof, that he is unable to procure, in companies admitted to do business in this State, the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this State to the full amount which said companies are willing to write on said property; provided, that such licensed person shall not be required to file such an affidavit if one covering the same property has been filed within the twelve months next preceding, by any broker licensed as authorized by this chapter, nor to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least twenty-five thousand dollars, or one which has, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premiums charged thereon, the companies in which the same is placed, the date of the policies and the term thereof, and also a report in the same detail of all such policies canceled, and the gross return premiums thereon, and before receiving such license shall execute and deliver to the said Commissioner a bond in the penal sum of two thousand dollars, with such sureties as the Commissioner shall approve, with the condition that the licensee will faithfully comply with all the requirements of this section, and will file with the said Commissioner in January of each year a sworn statement of the gross premiums charged for insurance procured or placed

and the gross return premiums on such insurance canceled under such license during the year ending on the 31st day of December next preceding, and at the time of filing such statement will pay into the Treasury of the State a sum equal to four per cent of such gross premiums less such return so reported. The penalty for making a false statement shall be forfeiture of license, and a fine of not less than one hundred dollars and not more than five hundred dollars, or imprisonment for not more than one year, or both." Property owners must file reports of business placed with unlicensed companies and pay tax of three per cent of premiums thereon, and fee of \$1 on each policy. Failure to make such statement renders offender liable to a fine of from \$250 to \$1,000.

LIMIT ON A SINGLE RISK—One-tenth of net assets. Mutual companies, \$1,500 net.

LLOYDS—Act of April 13, 1910. Sec. 1. "That it shall be lawful for any corporation, partnership, individual, association or organization known as Lloyds, to solicit, sign, issue, deliver and to execute policies of insurance, contracts and guaranties against loss by fire, water, lightning or tornado; and to rate, inspect and classify risks, plants and buildings, and to adjust losses in this State when authority has been obtained from the Insurance Commissioner; and when all the laws as far as applicable relating to fire and marine insurance companies have been complied with. The taxes and fees are hereby fixed at the rate provided for stock, fire and marine insurance companies." Sec. 2. "The words fire and marine insurance company or fire and marine insurance corporation used in the insurance laws of Mississippi as far as applicable are defined to include all corporations, partnerships, individuals, associations or organizations known as Lloyds engaged in placing, writing or soliciting any and all kinds of fire and marine insurance." Sec. 3. "All corporations, partnerships, individuals, associations or organizations known as Lloyds, engaged in the business of fire or marine insurance in this State, without first complying with all of the requirements of law as far as applicable relating to fire and marine insurance, shall be liable for all of the pains and penalties for any violation thereof, and shall be proceeded against as provided by the code chapter on insurance and the laws since enacted in relation thereto. Each and every stockholder, partner or subscriber to a contract of fire or marine insurance indemnity shall be deemed a local agent for the service of process, except in cases where an agent is named, in writing, to the Insurance Commissioner." Sec. 4. "That Sec. 2559, Code of 1906, be amended so as to read as follows: Sec. 2559. All indemnity or guarantee companies, all companies, corporations, partnership, associations, individuals and fraternal orders, whether domestic or foreign, transacting or to be admitted to transact, the business of insurance in this State, are insurance companies within the meaning of this chapter, and shall be subject to the inspection and supervision of the Commissioner. Whenever he shall deem it proper he shall personally, or by deputy, or agent, make a careful examination of

them. He shall have authority to administer oaths, to subpoena and examine under oath the assured, and the directors, officers, agents or trustees of such companies, and to compel the production for his examination of all books and papers pertaining to their business or that of their agents. Provided, that this chapter, and the foregoing sections of this act, do not and shall not be construed to include or extend to individuals, partnerships, associations or corporations, foreign or domestic, who seek to provide indemnity among themselves from fire loss or other casualty by exchange of private contract for protection only and not for profit; even though in the form of policies of insurance issued by such individuals, partnerships, associations or corporations; and even though without actual capital; and the payment by such subscribers of a sum or sums of money, by whatever name called, to the credit of such subscriber with such individual, partnership, association or corporation to cover his pro rata of probable losses, attorneys' fees and expenses, and the making of such contracts of insurance to save money to such subscriber shall not be taken to be the making of such contracts for profit; and the doing of the things set forth in this proviso shall not be construed as the doing of business of insurance in this State. Provided, further, that each subscriber making such inter-insurance contracts in this State, and also his attorney in fact, shall report, under oath, to the Insurance Commissioner the amount of such inter-insurance under such contract, and the agent or agency, resident or non-resident, employed by him in the making of such contract and the amount of the sum or sums of money so deposited by him remaining to his credit on the first day of February, and such sum so to the credit of such subscriber shall be taxable against the subscriber in this State at the residence of the subscriber for State, county and municipal taxes, which shall be in lieu of other assessments for ad valorem taxes thereon. And said Commissioner shall certify to the tax assessor of each county and municipality the said amount so reported for entry on his assessment rolls; and compliance by individuals, partnerships, associations and corporations with this proviso shall constitute a compliance by them with the laws of this State. And, provided further, that each attorney in fact employed in inter-changing such inter-insurance in this State shall pay a tax of \$100 per annum to the Insurance Commissioner and thereupon shall receive a certificate from him authorizing such attorney in fact to effect the exchange of inter-insurance contracts among such subscribers and their co-subscribers, and the principals of such attorney in fact shall be liable for said tax; and with the right of revocation of such certificate if said agency shall become insolvent." "Sec. 5. "That this act take effect and be in force from and after its passage."

MISCELLANEOUS—Business shall be done in each company's proper corporate name, and policies shall be headed therewith. Fire insurance companies may also transact sprinkler leakage insurance. Over-insurance and policies for longer than five years are prohibited. After a fire, the com-

pany must supply the insured with proof of loss blanks, and, after doing so, give him reasonable time in which to prepare proof. Companies must give prompt notice of fire losses to the Insurance Commissioner, and must not pay a loss in less than one week after a fire, without the Commissioner's permission. Mortgagee's interest is not invalidated by any act of mortgagor, if the former, on demand, pays the premium in case of neglect to do so by the mortgagor, and gives the company notice of any change of ownership or occupancy. Mortgagee is entitled to ten days' notice of cancellation. An adjuster for an unauthorized company acting for the latter in Mississippi shall be fined \$200 to \$500 or imprisoned six months to two years, or both. Penalty for removing a suit to a United States court, or for non-payment, within thirty days, of a judgment of a State court, revocation of license for three years. Sec. 2 of the Bulk-Sales Law of 1908 reads as follows: "That in case of the destruction of a stock of merchandise by fire upon which there is insurance against such loss, the holder of such insurance policies shall, within five days after such loss, notify his creditors to whom he is indebted for merchandise, of his loss and the amount of insurance carried, and no policy or policies of insurance shall be transferred or assigned for ten days after such notice, nor shall any such insurance be paid for fifteen days next after the occurrence of any such fire." Companies are forbidden to purchase or acquire stock, franchise, plant or equipment of any other competing corporation doing business in Mississippi. New company promotions are under supervision of Insurance Commissioner.

MUTUAL COMPANIES—Provision is made for the organization of mutual companies with at least \$250,000 of insurance pledged and a guarantee fund of \$25,000. No mutual fire insurance companies can be admitted.

PRELIMINARY DOCUMENTS—Company must file a copy of its charter, certificate of organization, and a verified financial statement. Foreign companies must file certificate of deposit and charter of company with the Insurance Commissioner. The Commissioner must certify to the clerk of Chancery Court of each and every county an abstract of each annual statement and a list of all companies authorized, at the expense of the companies. Every company must file a sworn declaration that it will not reinsure any Mississippi risk in an unauthorized company, except as provided in amendment to Sec. 2607. Certificate of compliance with laws of company's home State required annually, when applying for license; charter and power of attorney to Insurance Commissioner for service of process need be filed but once.

PUBLICATION—Statement must be published in one newspaper in the State; cost of publication, \$9, to be paid to publishers. Any advertisement showing assets must also exhibit liabilities, under penalty of \$50 to \$200.

RECIPROCAL LAW—None.

REINSURANCE—Sec. 2607. "Whenever an application for license, for renewal of license or for admission to this State, is made by a company,

whether of this State or another State of the United States, or of a foreign country, for the transaction of business of fire insurance herein, such company shall, as one of the prerequisites of admission, file a sworn declaration signed by its president and secretary, or officers corresponding thereto, that it will not reinsure any risk or part thereof taken by it on any property located in Mississippi with any company not authorized to transact the business of fire insurance in this State; provided, that when all efforts have been exhausted and fail to place the entire line of needed reinsurance on any one risk in companies authorized to do business in this State which have representatives in the community authorized to bind such companies, at the same rate as offered by other solvent companies, the excess may be written in companies not thus authorized. In all such cases an affidavit shall be filed by the company, or its agent, within one month from date of placing such reinsurance, with the Insurance Commissioner of this State, giving complete list of the companies applied to for reinsurance, with the amounts accepted by each of those authorized to do business in the State, and a list also of the companies writing the excess herein provided for, with the amounts written by them respectively, and this affidavit shall be open for public inspection; provided, further, that companies shall not be required to offer any portion of the needed reinsurance to any company which is, or has within the preceding twelve months been in an impaired condition. Reinsurance premiums paid to companies authorized to do business in Mississippi may be deducted from gross premiums in the semi-annual tax returns, when affidavits are furnished from such authorized reinsuring companies that the amounts so deducted are included in their own semi-annual tax returns, and are paid on by the authorized reinsuring company." Sec. 2608. "Every fire insurance company now or hereafter admitted shall annually, and at such other times as the said Commissioner may require, in addition to all the terms now, by law, required of it, or its agents or managers, make a return to the Insurance Commissioner in such form and detail as may be prescribed by him of all reinsurance contracted for or effected by it directly or indirectly, upon property located in Mississippi, such return to be sworn to by its president and secretary, if a company of any other State of the United States, and if a company of a foreign country, by its president and secretary, or by officers corresponding thereto, as to reinsurance as aforesaid contracted for, or effected through the foreign office, and by the United States manager as to such reinsurance effected by the United States branch, and if any company, domestic or foreign, shall directly or indirectly reinsure any risk taken by it on any property located in Mississippi in any company not duly authorized to transact business herein, except as hereinbefore provided, or if it shall refuse or neglect to make the returns required by this section, the said Commissioner shall revoke its authority to transact business in this State." See "Licensed Brokers." Reinsurance policies need not be countersigned by local agents. Penalty for violation, fine of \$500.

REINSURANCE RESERVE—"Actual unearned portion of the premiums written in its policies. Each company transacting a fire, marine, inland, * * * insurance business, * * * in this State, shall be required to set aside as a legal reserve to protect the holders of its policy contracts in this State the pro rata unearned portion of the premium paid for such contract, to be held until termination of such contracts." Mutual companies must set aside annually 10 per cent of all cash received as premiums until they have accumulated 40 per cent of the unearned premiums in force.

RESIDENT AGENTS—Law of 1916, Sec. 1. "No fire, fire marine, accident health, employers' liability, steam boiler, plate glass, fidelity, surety, burglary or other insurance company, except life insurance companies, not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place or cause to be made, contracts of insurance of any kind or character, or any general or floating policy upon persons or property in this State, except after the said risk has been approved, in writing by a local agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued or contracts of insurance and receive the full commission thereon, when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all persons and property situated in this State. Provided, however, that the provisions of this act shall not apply to individuals, firms and corporations indemnifying themselves through reciprocal contracts and not employing local agents. No provision of this section is intended or shall be so intended to direct insurance covering the rolling stock or railroad corporations of property in transit while in the possession and custody of railroad corporations or other common carriers." Sec. 2. "Any company wilfully failing to observe or comply with the provisions of the preceding section thereof shall be subject to and liable to pay a penalty of five hundred dollars (\$500) for each violation thereof, and for each failure to observe and comply with the foregoing section. Such fine may be recovered and collected in any action brought in the name of the State in any court having jurisdiction thereof." Sec. 2654. "That it shall be unlawful for any agent of a fire insurance company to sign any blank policy of insurance, and any agent violating the provisions of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined for each offense not less than \$100 nor more than \$200. It shall also be unlawful for any person, agent, firm or corporation, licensed by the Insurance Commissioner, to act as a fire insurance agent in this State, to pay directly or indirectly any commission, brokerage or other valuable consideration on account of any policy or policies covering property in this State, to any person, agent, firm or corporation not duly licensed by the Insurance Commissioner of this State as a fire insurance agent; provided, that insurance covering property within the State owned by non-residents and controlled by brokers or other agents duly licensed by other States, may be written,

and for violation of this provision the Insurance Commissioner shall revoke such agent's license for all companies for not less than three nor more than six months for first offense, and for one year for second offense." Complaint filed by any citizen of Mississippi that any company authorized to do business in the State has violated any of the provisions of this act, shall be investigated by the Insurance Commissioner, who may, if necessary, repair to the head office of such company to further investigate the matter, provided that before making any examination which would require the Insurance Commissioner to go to a foreign State, the latter shall require the party or parties making complaint to file with him a good and sufficient bond to secure any expense or costs that may be necessary in making such examination. If upon examination the complaint is not substantiated, complainant shall be held responsible for any and all expenses incurred in making said examination, but in the event of the company being found guilty of violation of any of the provisions of this act, then the expenses incurred shall be borne by the company, and should said company refuse to pay the expenses of examination, upon presentation of bill, the Insurance Commissioner shall at once institute proceedings against said company for recovery of same, and for that purpose may attach any of the property of the said company to be found within the jurisdiction of the court before which such proceedings are heard.

SEMI-ANNUAL STATEMENTS—See "Tax Statements."

STANDARD POLICY—No provision.

TAXES—Two and one-half per cent on gross earnings less return premiums.

See "Reinsurance." "Domestic insurance companies shall not be required to pay a greater tax in the aggregate than is required to be paid by foreign insurance companies doing business in this State, except to the extent of their *ad valorem* tax over the privilege tax imposed upon such foreign companies. No privilege tax shall be paid by such domestic companies, and no tax collected on their premium receipts, but at the end of each calendar year, such companies shall make a sworn statement to the Insurance Commissioner of the total tax paid during the year, including State, county and municipal, and if such amount be less than is required of foreign companies on the same amount of business, the said Commissioner shall then collect such part of the privilege tax and premium tax imposed on foreign companies as will make the tax on the domestic companies equal thereto." Agents procuring policies of unauthorized companies pay four per cent on gross, less return premiums. Fire marshal tax, one-fifth of one per cent on gross premiums, "to be collected by said Commissioner as other taxes on insurance companies are collected." Each license issued to a fire insurance corporation or association, or to any company or association of companies operating a distinct plant of agencies in the State, \$100; license to a marine company, \$100. Each agent in cities of 2000 and over pays an annual privilege tax

of \$30; in cities of less than 2000, \$15. Each member of a firm is liable for this tax. Incorporated agencies pay \$100 per annum in cities of 3000 or over, or \$50 in smaller cities. "No person who would otherwise be considered an agent shall be exempt from the privilege tax placed on insurance agents by this section by reason of the fact that he is a stockholder or officer in an incorporated agency, or by reason of the fact that he represents such an agency." Each fire insurance adjuster must pay a privilege tax of \$25, and no municipality shall levy any further privilege tax on said calling. No county or municipal authority shall levy a privilege tax on any insurance company or association, but, under the law, has the right to assess insurance agents fifty per cent of the privilege tax paid by the agent. The Yazoo-Mississippi Delta Levee Board also requires the payment of taxes as follows: \$100 upon each fire or marine insurance company; \$100 for an incorporated insurance agency in a city of over 3000 inhabitants, and \$50 for such an agency in a town of less than 3000 inhabitants; \$30 for a fire insurance agent in a city of 2000 or more inhabitants, and \$15 for any other fire insurance agent; \$25 for a fire insurance adjuster. The levee district consists of these counties: Desoto (part), Tunica, Coahoma, Sunflower, Tallahatchie (part), Quitman, Yazoo (part), Leflore and Holmes (part).

TAX STATEMENTS—Sec. 2625. "Every general agent shall, within the first thirty days of January and July of each year, make a full and correct statement, under oath of himself and of the president, secretary or some officer at the home or head office of the company in this country, of the amount of gross receipts derived from the insurance business under this chapter obtained from residents of the State or on property located therein during the preceding six months, and shall, within the first fifteen days of February and August of each and every year pay to the Commissioner the tax hereinafter provided, upon the amount of such receipts returned." See "Licensed Brokers."

VALUED POLICY—Sec. 2592. "No insurance company shall knowingly issue any fire insurance policy upon property within this State for an amount which, together with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than five years. When real property or buildings, household or kitchen furniture, insured against loss by fire and situated within this State are totally destroyed by fire, the company shall not be permitted to deny that the property insured was worth, at the time of the issuing of the policy, the full value upon which the insurance is calculated, and the measure of damage shall be the amount for which the property was insured. No insurance company or agent thereof shall be permitted to insert or attach a co-insurance clause, three-quarter value clause, to a policy of this kind, and any fire insurance company or agent thereof who violates this act shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than \$200 nor more than \$1,000 for each offense. In case of a partial loss or

damage by fire to real property or buildings or personal property, the measure of damage shall be an amount equal to the damage done the property not to exceed the amount written in the policy." Amended 1912 to foregoing.

COUNTY TAXES AND FEES.

Any county may assess an agent operating therein 50 per cent of the State privilege tax. Companies do not pay county privilege taxes.

ALCORN—For each agent, \$30, payable first month issued.

BOLIVAR—For each agent, \$15, payable upon some commencing business.

COPIAH—For each agent, \$15, payable March 1.

GRENADA—For each agent, \$30, payable May 1.

HARRISON—For each agent, \$30, payable upon commencing business.

HINDS—For each agent, \$30, payable upon commencing business.

HOLMES—For each agent, \$15.

JACKSON—For each company, \$50; for each agent, \$30; payable May 1.

LAFAYETTE—For each agent, \$30, payable on commencing business.

LAUDERDALE—For each agent, \$30, payable upon commencing business.

LEE—For each agent, \$30.

MONROE—For each agent, \$30.

PRENTISS—For each agent, \$15.

MUNICIPAL TAXES AND FEES.

(Municipalities may assess agents' privilege taxes equal to fifty per cent of State tax, but such tax can only be assessed by one municipality. Companies do not pay municipal privilege taxes.)

ABERDEEN—For each agent, \$2.50.

AMORY—For each agent, \$15.

BAY ST. LOUIS—For each agent, \$15, payable May 1.

BILOXI—For each agent, \$15.

BONNEVILLE—For each agent, \$15.

BROOKHAVEN—For each agent, \$5.

BROOKSVILLE—For each agent, \$7.50; payable May 1.

CANTON—For each agent, \$12.50.

CLARKSDALE—For each agent, \$15, on beginning of business.

CLEVELAND—For each agent, \$7.50; for each company, \$7.50; payable upon commencing business (license required for each member of firm).

COFFEEVILLE—For each agent, \$7.50, payable May 1.

COLUMBIA—For each agent, \$7.50, payable May 1.

COLUMBUS—For each agent, one-half State rate.

CORINTH—For each agent, \$15, payable May 1.

CRYSTAL SPRINGS—For each agent, \$7.50, payable May 1.

DURANT—For each agent, \$7.50, payable April 1. Each member of a firm must procure a license.

- ELLISVILLE—For each agent, \$28.
- FRIAR'S POINT—For each agent, \$7.50, payable from date of issue.
- GLOSTER—For each agent, \$7.50, payable April 1.
- GREENVILLE—For each agency, \$30, payable May 1.
- GREENWOOD—For each agent, \$15.
- GRENADA—For each agent, \$15; payable May 1.
- GULFPORT—For each agent, \$15, payable upon commencing business. Each member of a firm is required to secure a license.)
- HANDBORO—For each agent, \$2.50, payable November 1.
- HATTIESBURG—For each agent, \$15, payable May 1.
- HAZLEHURST—For each agent, \$5, payable upon commencing business.
- HOLLY SPRINGS—For each agent, \$15, payable May 1.
- INDIANOLA—For each agent or for each member of a firm, \$7.50, payable March 1.
- ITTA BENA—For each agent, \$5.
- JACKSON—For each agent, \$15, payable one year from date issued.
- LAUREL—For each agency, \$15, payable May 1.
- LEXINGTON—For each agent, twenty-five per cent of State fee, payable May 1.
- LOUISVILLE—For each agent, \$15.
- LUMBERTON—For each agent, \$12, payable March 1.
- MACON—For each agent, \$15, payable May 1.
- MCCOMB CITY—For each agent, \$15; payable June 1.
- MERIDIAN—For each agent, \$15; for each incorporated agency, \$50, payable date of issue.
- MOSS POINT—For each agent, 25 per cent of privilege tax paid to county and State, payable May 1.
- NATCHEZ—For each agency, \$15, payable from date of issue.
- NEW ALBANY—For each agent, \$15.
- NEWTON—For each agent, \$7.50, payable May 1.
- OCEAN SPRINGS—For each agent, \$7.50, payable May 1.
- OKALONA—For each agent, \$7.50.
- OXFORD—For each agent, \$15.
- PASCAGOULA—For each company, \$50; for each agent, \$15 per annum, payable annually May 1.
- PASS CHRISTIAN—For each agent, \$15, payable one year from date issued.
- PONTOTOC—For each agent, \$7.50; payable May 1.
- PORT GIBSON—For each agent, \$15, on commencing business.
- ROSEDALE—For each agent, \$7.50.
- STARKVILLE—For each agent, \$7.50, payable in May.
- SUMMIT—For each agent, \$10, payable March 1.
- TUPELO—For each agent, \$15, 1st of month upon commencing business.
- TUNICA—For each agent, \$5 license required for each member of firm; payable when starting business.
- UTICA—For each agent, \$7.50, payable May 1.

VAIDEN—For each agent, twenty-five per cent of State fee.

VICKSBURG—For each agent, \$15, payable January 1.

WATER VALLEY—For each agent, \$15.

WESSON—For each company, \$10; for each agent, \$10; payable annually upon commencing business.

WEST POINT—For each agent, \$7.50, payable annually on date of first license.

WINONA—For each agent, \$15.

YAZOO CITY—For each agent, \$10.

MISSOURI.

STATE REQUIREMENTS.

AGENTS OF UNAUTHORIZED COMPANIES DEFINED—Sec. 7052.

Any person or persons in this State who shall receipt for any money on account of or for any contract of insurance made by him or them, for any insurance company or association not at the time authorized to do business in this State, or who shall receive or receipt for any money from other persons, to be transmitted to any such insurance company or association, either in or out of this State, for a policy or policies of insurance issued by such company or association, or for any renewal thereof, although the same may not be required by him of them as agents, or who shall make or cause to be made, directly or indirectly, any contract of insurance for such company or association, shall be deemed, to all intents and purposes, an agent of such company or association, and shall be subject to all the provisions and regulations and liable to all the penalties provided and fixed by this chapter. * * *

AGENTS' LICENSES—Local agents and solicitors must have certified copies of company's authority to transact business as their agents. One license may be issued to a firm of two or more members. Reciprocal provision applies. Certificates expire annually February 1. Penalty for acting as agent without authority, or for an unauthorized company, a fine of \$10 to \$100, or imprisonment for ten days to six months, or both. Incorporated agencies cannot be licensed as such.

ANNUAL STATEMENTS—Must be filed during January. (See also "Anti-Compact," "Foreign Companies Home Office Statements" and "Tax Statements.")

ANTI-COINSURANCE—Sec. 7022. "Whenever there is a partial destruction or damage to property covered by insurance, it shall be the duty of the party writing the policies to pay the assured a sum of money equal to the damage done to the property, or repair the same to the extent of such damage, not exceeding the amount written in the policy, so that said property shall be in as good condition, as before the fire, at the option of the insured." The insurance companies contend that this section is repealed by implication by the law of March 18, 1911 (see "Anti-Discrimination" and "Rating Schedules to Be Filed"), but the Insurance Department is not convinced that this contention is correct, and holds that its determination must rest upon the ultimate decision of the courts of last resort in the State. Sec. 7023. "No fire insurance policy which may be issued after this section takes effect shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that covered by such policy, nor in any way providing that the assured shall be liable as co-insurer with the company issuing the policy for any

part of the loss or damage which may be occasioned by fire or lightning to the property covered by such policy, nor making provision for a reduction of such loss or damage, or any part thereof, by reason of the failure of the assured to take out or maintain other insurance on said property. And all clauses and provisions in fire policies, issued after the taking effect of this section, in contravention of the prohibitions in this section contained, shall be *ab initio* void and of no effect: Provided, that the provisions of this section shall not apply to policies issued upon personal property in cities which now contain or which may hereafter contain 100,000 inhabitants or more whenever the insured signs an agreement indorsed across the face of said policy to be exempt from the provision thereof."

ANTI-COMPACT—The Insurance Department considers that the sections quoted below may be, and probably are, repealed by the provisions of the law of March 18, 1911. Sec. 10,299. "Any person who shall create, enter into, become a member of or participate in any pool, trust, agreement, combination, confederation or understanding with any other person or persons to regulate, control, or fix the price of any article of manufacture, mechanism, merchandise, commodity, convenience or repair, or any product of mining, or any article or thing whatsoever, of any class or kind bought and sold, or the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, or to maintain said price when so regulated or fixed, or shall enter into, become a member of or participate in any pool, trust, agreement, contract, combination, confederation or understanding to fix or limit the amount or quantity of any article of manufacture, mechanism, merchandise, commodity, convenience, repair, any product of mining, or any article or thing whatsoever, of any class or kind bought and sold, or the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, shall be deemed and adjudged guilty of a conspiracy in restraint of trade, and be punished as provided for in this act." Sec. 10,301. "All arrangements, contracts, agreements, combinations or understandings made, or entered into between any two or more persons, designed or made with a view to lessen, or which tend to lessen, lawful trade, or full and free competition in the importation, transportation, manufacture or sale in this State of any product, commodity or article, or thing bought and sold, of any class or kind whatsoever, including the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, and all arrangements, contracts, agreements, combinations or understandings made or entered into between any two or more persons which are designed or made with a view to increase, or which tend to increase, the market price of any product, commodity or article or thing of any class or kind whatsoever bought and sold, including the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, are hereby declared to be against public policy, unlawful and void; and any person or persons creating, entering

into, becoming a member of or participating in such arrangements, contracts, agreements, combinations or understandings shall be deemed and adjudged guilty of a conspiracy in restraint of trade, and punished as provided for in this article." (The word "person" is defined to include natural persons, partnerships, associations of persons and corporations.) Penalty for violation, \$500 to \$5000 fine, or by imprisonment not exceeding five years, or both. A very comprehensive affidavit of compliance is required annually by the Secretary of State. In relation to the anti-trust law, the Secretary of State states that "in so far as the penalty section of the laws is concerned it appears to only apply to the State of Missouri, but so far as the general law applies to pools and trusts it seems to be extra-territorial. The law prescribes the form of the affidavit which the company is required to make and this office has no authority to accept an affidavit in form other than is prescribed by the statute." Sec. 10313-a. "In any proceeding against or prosecution of any insurance company under the provisions of this article, it shall be prima facie evidence that such company is a member of a pool, trust, agreement, confederation or understanding to control, effect or fix the price or premium to be paid for insuring property against loss or damage by fire, lightning or storm, if it be shown that such company or any agent or representative thereof, in writing insurance, has used any insurance rate, or made use of or consulted any rate book, paper or card containing any insurance rate, prepared, published, kept or furnished by any person, association of persons or bureau employed by, representing or acting on behalf of any other insurance company or association in and about the making and publishing of insurance rate for use in any portion of this State." Attorney-General holds Sec. 10313-a to be illegal and void. Under the law of March 27, 1913, each company must register annually before July 1 with the Secretary of State, its correct corporate name and address, and the name and address of its president and secretary, and if a foreign corporation, of its principal agent in Missouri. It must file with the Secretary of State when registering, an affidavit that it is not violating the anti-trust law, and must pay to the State a fee of \$5, if it registers within thirty days after July 1, or \$10 if it registers between August 1 and October 1.

ANTI-DISCRIMINATION—The law of March 18, 1911, Sec. 2, relating to discrimination, was repealed in 1913. See Anti-compact Law. Rating Law prohibits deviations from published rates.

ATTORNEY—The Superintendent of Insurance must be authorized to accept service of legal process. In the case of unauthorized companies, service may be made upon any person who solicits business for or otherwise acts in behalf of such company.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Company must have at least \$200,000 paid-up capital.

COMMISSIONS TO NON-RESIDENTS—Commissions may be divided only with licensed agents or brokers.

DEPOSIT—Foreign companies must have \$200,000 on deposit in one of the United States, invested in securities as listed under "Investments Prescribed," which see. None required of American companies.

DOMESTIC COMPANIES—Sec. 6995. "Any number of persons, not less than thirteen in number, a majority of whom shall be citizens of this State, may associate and form an incorporation, association or company for the following purposes, to wit: First, to make insurance on houses, buildings, merchandise, furniture and all kinds of property, against loss or damage by fire, lightning, hail and windstorm; to make all kinds of insurance on automobiles and all other cars and vehicles, ships, steamboats and other vessels and their freight and cargoes, and also on goods, merchandise, produce and all other kinds of property in the course of transportation, whether by land or water, and to lend money on bottomry and respondentia." Amended to provide that companies confining their licenses to insurance on automobiles may insure owners thereof against liability for damage ensuing from ownership or operation thereof. Superintendent of Insurance has supervision over companies in process of formation.

EXAMINATIONS—Sec. 6889. "The Superintendent of the Insurance Department shall examine and inquire into all violations of the insurance laws of the State, and examine the financial condition, affairs and management of any insurance company incorporated by or doing business in this State, and inquire into and investigate the business of insurance transacted in this State, and require any company, its officers, agents, employees or attorneys, or other persons, to produce, and may examine all its assets, contracts, books and papers; may compel the attendance before him, and may examine, under oath, its directors, officers, agents, employees, solicitors, attorneys, or any other person, in reference to its condition, affairs, management or business, or any matter relating thereto; may administer oaths or affirmations, and shall have power to summon and compel the attendance of witnesses, and to require and compel the production of records, books, papers, contracts or other documents by attachment, if necessary; and shall have the right to punish for contempt, by fine or imprisonment, or both, any person failing or refusing to obey any such summons or order of said Superintendent. The Superintendent may accept, in lieu of an examination by himself, or by his authority, a certificate of an examination, accompanied by a statement of all the facts in the case made by the Insurance Commissioner or Superintendent of another State, of a company organized under the laws of such State. * * * Any person testifying falsely in reference to any matter material to said investigation, examination or inquiry shall be deemed guilty of perjury, and in addition to the punishment for contempt, in refusing to attend or to answer, or to produce books and papers, any person who shall refuse to give such Superintendent full and truthful information, and answer in writing to any inquiry or question made in writing by said Superintendent in regard to the business of insurance carried on by such person, or to appear and testify

under oath before such Superintendent in regard to the same, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not exceeding \$500, or imprisonment not exceeding three months; and any director, officer, manager, agent or employee of any insurance company, or any other person, who shall make any false certificate or entry or memorandum upon any of the books or papers of any insurance company, or upon any statement or exhibit offered, filed or offered to be filed in the Insurance Department of the State, or used in the course of any examination, inquiry or investigation, with intent to deceive the Superintendent of the Insurance Department, or any person employed or appointed by him to make any examination, inquiry or investigation, shall, upon conviction, be punished by a fine of not exceeding \$1000, and by imprisonment not less than two months in the county or city jail, nor more than five years in the penitentiary."

EXCESS INSURANCE IN UNLICENSED COMPANIES—Sec. 7045.

"The Superintendent of Insurance, however, may issue to an agent who is regularly commissioned to represent one or more fire or fire and marine or storm insurance companies, authorized to do business in this State, a certificate of authority to place excess lines of insurance in companies not admitted to do business in this State: Provided, however, that the party desiring such excess of insurance shall first file an affidavit with the Superintendent of Insurance that he has exhausted all the insurance obtainable from authorized companies." Sec. 7046. "Every agent so licensed shall report, under oath, to the Superintendent of Insurance on the first day of June and December of each year the amount of premiums obtained by him for such excess insurance, and shall pay the said Superintendent a tax of five per cent thereon; and he shall also file an approved bond with the said Commissioner in the sum of \$1000 for the faithful observance of the above provisions, and a prompt discharge of his duties therein." Propertyowners may be licensed to deal with unauthorized companies on filing a reasonable bond for payment of two per cent tax on premiums, and paying a fee of \$10. Penalty for violations of the law, fine of \$100. See also "Licensed Brokers."

FEES—Filing declaration, required on organization of each company, \$50; filing copy of charter and preliminary statement, \$50; issuing license to company, \$1; filing annual statement, \$30; filing supplementary annual statement, \$10; filing power of attorney and all other papers, \$10; agents' or solicitors' license, \$2; certificate of authority for inter-insurance exchange, \$20; copies of papers on file, 20 cents per folio, and affixing seal, \$1; broker's license, \$10; license to place insurance in unauthorized companies, \$10. Fees payable to Superintendent of Insurance. Registration fee, \$50, to be remitted to Secretary of State, payable to State Treasurer. See "Anti-Compact."

FIRE DEPARTMENT TAX—Governed by municipal provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed when called for by the Superintendent.

IMPAIRMENT—Sec. 7077. "If at any time the Superintendent of the Insurance Department shall ascertain that the capital stock or guarantee fund of any insurance company doing business in this State is impaired, or that its liabilities exceed its available assets, he may, either before or after revoking or suspending its license or authority to act, or before or after instituting proceedings against it, notify and require said company to make good its deficiency; for that purpose he may grant it a reasonable time within which to make good such impairment or deficiency, and may take such steps as shall seem to him best adapted to secure the interests of the policyholders and creditors of such company. * * *"

INVESTMENTS PRESCRIBED—Domestic companies may invest their capital in treasury notes or bonds of the United States or of Missouri, or in funded bonds of any county or municipal township of Missouri, or bonds issued by any school district or drainage district of the State of Missouri, or in bonds and mortgages or deeds of trust on unincumbered real estate, situate in any of the States of the United States worth at least double the amount loaned thereon. The reserve and surplus funds may be invested in notes, secured by deed of trust on lands in any State of the United States (such real estate to be worth at least 50 per cent more than the amount loaned thereon) and in bonds of any county or municipality or drainage district in any State of the United States.

LICENSED BROKERS—Sec. 7049. "Whoever for compensation acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks or effecting insurance or reinsurance for any person other than himself, and not being the appointed agent or officer of the company in which such insurance or reinsurance is effected, shall be deemed an insurance broker, and no person shall act as such insurance broker, save as provided in this section. Such certificate shall remain in force one year, unless revoked." Brokers may secure licenses to deal with authorized companies by paying an annual fee of \$10. Penalty for violation, fine of \$100. See "Excess Insurance in Unlicensed Companies." Brokers' licenses may be issued to natural persons only, under an opinion of the Attorney-General.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Sec. 7041. "No individual or association of individuals, under any style or name, shall be permitted to do the business mentioned in this chapter within the State of Missouri, unless he or they shall first fully comply with all the provisions of the laws of this State governing the business of insurance. * * *" Law of 1915 provides for the licensing of reciprocal or inter-insurance exchanges, which must have at least 75 members, with \$1,500,000 of insurance in force and \$25,000 on deposit, with attorney available for payment of losses. Service of process on Superintendent of

Insurance to be binding upon all subscribers. Provision is made for filing statements maintaining reserves, etc.

MISCELLANEOUS—Fire insurance companies may insure against loss by leakage of sprinklers or other fire extinguishing apparatus. For removing to, or instituting in, a Federal court, a suit brought by or against a citizen of Missouri, a company shall have its license revoked. Failure of company to furnish insured with blank forms for proof of loss, etc., waives right to require such information. Judgment for attorneys' fees against insurance company when losing case. (Rev. St., 1889, Sec. 5927, and 1899.)

MUTUAL COMPANIES—Sec. 7009. "No company formed upon the mutual plan for the purpose of doing the fire and marine business designated in the first of the three classes of insurance named in Sec. 6995 shall, unless the company is to be formed with a guarantee fund, commence to do business until agreements have been entered into for insurance with at least 200 applicants, the premiums on which shall amount to not less than \$100,000, of which thirty per cent at least, upon each and every premium, shall have been paid in cash, and until notes of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No one of the premium notes received as aforesaid, nor afterward received by any mutual company, whether organized with or without a guarantee fund, shall amount to more than \$500, and no two shall be given for the same risk or made by the same person or firm, except when the whole amount of such notes shall not exceed \$500; nor shall any note be regarded or represented as forming a part of the premiums required of mutual companies on their organization, unless a policy be issued upon the same within thirty days after said company shall have received its certificate of authority from the Superintendent to do business and issue policies, upon a risk which shall not be for a shorter period than six years." Companies writing risks only in a single line of industry, may take notes for not more than five annual cash premiums, but such annual cash premium shall not exceed \$500 each; and no policy shall be written for longer than five years. Provision is also made for the organization of county, farmers' and town mutual insurance companies.

PENALTIES—For acting for an insolvent company, a fine of \$50 to \$500. Company transacting business without license is liable to fine of \$250 for each offense, and court fees. For permitting a judgment to remain unpaid fifteen days, revocation of license, or suspension during default. Any person acting for company suspended is liable to fine of \$500 for each offense. General penalty, a fine of \$50 to \$500.

PRELIMINARY DOCUMENTS—Certified copy of charter, copy of last annual statement, copy of financial statement or supplementary statement, certificate from its resident State Department of the legality to do business, and certificate showing amount of capital stock fully paid up; certificate from Department that Missouri companies would be treated on same basis by that State; copy of appointment of company's general agent. Foreign

companies must file copy of charter to be executed at general or head office of the company under seal of that office, certified by State officer having custody of original; certificate of compliance; certificate of deposit; certificate of appointment of general agent, unless the United States manager shall act as general agent for this State; document executed under seal of head office, and signed by chief officer of the company, the president and secretary, showing the appointment of person designated by company as its manager in United States, with full authority and power to said manager set forth in appointment; appointment of Superintendent for acceptance of process. Application for company's license must be signed by its president, secretary, general agent or manager, and must be filed before license can issue. Certificate of compliance with laws of company's home State must be filed yearly with annual statement.

PUBLICATION—No requirement.

RATING BUREAUS TO BE MAINTAINED—The law of 1911, regarding the filing of rating schedules, was repealed in 1913. In 1915 a law was enacted similar to that of Iowa, requiring companies to maintain or be members of rating bureaus. The Superintendent of Insurance is empowered to remove discriminations and to order reductions in rates, as a whole or by classes, when facts developed in formal hearing justify such action.

RECIPROCAL LAW—Sec. 7033. "Whenever the laws of any other State of the United States or of any foreign country shall require of or impose upon companies not organized under the laws of such State or country any further or greater licenses, fees, taxes, deposits or securities, statements or certificates of authority, or require any other duties or acts or inflict any greater fines or penalties than are by the laws of Missouri imposed or inflicted upon or required of companies not organized under the laws of this State, then it shall be the duty of the Superintendent of the Insurance Department of this State to require from every company of such other State or country transacting, or seeking to transact, the business of insurance in this State, the payment of all licenses, fees, taxes, fines or penalties, and the making of all deposits of securities, and statements, and the doing of all acts which, by the laws of the State or country in which said company was organized, are in excess of the licenses, fees, taxes, deposits, statements, fines, penalties, acts or duties required by the laws of this State of companies of other States."

REINSURANCE—No express prohibition of reinsurance in unauthorized companies, but no credit is allowed on taxes for such reinsurances.

REINSURANCE RESERVE—Fifty per cent of premium on unexpired risks having one year or less to run, and a pro rata of all term risks. Marine reserve, gross premiums on outstanding risks. Inland reserve, fifty per cent, as for fire.

RESIDENT AGENTS—Sec. 7047. "Foreign companies admitted to do business in this State shall make contracts of insurance upon property or interest therein, only by lawfully constituted and licensed resident agents, who

shall countersign all policies so issued. And any such company which shall violate any provision of this section shall suffer a revocation of its authority by the Superintendent of Insurance to do business in this State, in addition to the penalty prescribed in Sec. 7054, such revocation to be for the term of one year."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No uniform form of fire policy has been approved or adopted by the State Insurance Department, owing to the fact that the constitutionality of the act of March 18, 1895, was challenged in the courts. The act was held constitutional, but not until after the date named in the section when the standard forms were to be submitted. Owing to the lame construction of the statute, no action in that regard has ever been taken.

TAXES—Sec. 7098. "The property of all insurance companies organized under the laws of this State shall be subject to taxation for State, county, municipal and school purposes, as provided in the general revenue laws of this State in regard to taxation and assessment of insurance companies. Every such company or association shall make returns, subject to the provisions of said laws: First, of all the real estate held or controlled by it; second, of the net value of all its other assets or values in excess of the legally required reserve necessary to reinsure its outstanding risks and of any unpaid policy claims, which net values shall be assessed and taxed as the property of individuals; provided, that the premium notes held by fire insurance companies organized on the mutual plan shall not be returned as assets; and, provided, further, however, that nothing herein shall operate to exempt from such taxation the paid-up capital of such stock companies." Sec. 7099. "Every insurance company or association not organized under the laws of this State shall, as hereinafter provided, annually pay a tax upon the premiums received, whether in cash or in notes, in this State, or on account of business done in this State, for insurance of life, property or interest in this State, at a rate of two per cent per annum in lieu of all other taxes except as in this article otherwise provided. * * * Provided, that fire insurance companies shall be credited with premiums on reinsurance with companies authorized and licensed to transact business in Missouri, which reinsurance shall be reported by the company reinsuring such business; but no credit shall be allowed any fire insurance company for reinsurance in companies not licensed to transact business in Missouri." Sec. 7104. "The agent or agents of any such insurance company doing insurance business in any city in this State having a population of more than 100,000 inhabitants, in addition to the tax on premiums as above provided for against such companies, shall also pay to the collector of the said city, if said city shall so declare by ordinance, on or before the first day of February of each and every year, not more than the sum of \$100 for the use of said city, which sum shall be considered in full for and in lieu of all taxes and licenses which said city may possess the power to impose on such

agencies. * *." Credit is allowed for reinsurance with companies authorized in Missouri, and also for return premiums on canceled policies. Under the resident agents' law agents pay a tax of five per cent on premiums obtained for "excess lines of insurance" (see Sec. 7046, R. S. Mo., 1909); and a two per cent tax is imposed on all insurance effected in unauthorized insurance companies (See Sec. 7048, R. S. Mo., 1909). The two per cent and reciprocal taxes are payable to the State Treasurer yearly before May 1. Penalty for failure to pay taxes or fees, fine of \$50. Company is liable to have its certificate revoked. The five per cent tax is payable June 1 and December 1, to the Superintendent of Insurance.

TAX STATEMENTS—Must be filed on or before March 1. Taxes must be paid on or before May 1 to the State Treasurer.

VALUED POLICY—Sec. 7020. "In all suits brought upon policies of insurance against loss or damage by fire hereafter issued or renewed, the defendant shall not be permitted to deny that the property insured thereby was worth at the time of the issuing of the policy the full amount insured therein on said property; and in case of total loss of the property insured, the measure of damage shall be the amount for which the same was insured, less whatever depreciation in value, below the amount for which the property is insured, the property may have sustained between the time of issuing the policy and the time of the loss, and the burden of proving such depreciation shall be upon the defendant; and in case of partial loss the measure of damage shall be that portion of the value of the whole property insured, ascertained in the manner hereinafter prescribed, which the part injured or destroyed bears to the whole property insured." Sec. 7021. "When fire insurance policies shall be hereafter issued or renewed by more than one company upon the same property, and suit shall be brought upon any one of said policies, the defendant shall not be permitted to deny that the property insured was worth the aggregate of the several amounts for which it was insured at the time the policy was issued or renewed thereon, unless wilful fraud or misrepresentation is shown on part of the insured in obtaining such additional insurance; and in such suit the measure of damage shall be as provided in the preceding section: Provided, that whatever depreciation in value below the amount for which the property is insured may be shown, as provided in the preceding section, shall be deducted from the amount insured in each policy, in the proportion which the amount in each such policy bears to the aggregate of all the amounts so insured on such property. This and the preceding section shall apply only to real property insured. Any condition in any policy of insurance contrary to the provisions of this article shall be illegal and void." A part of Sec. 7030 reads as follows: "No company shall take a risk on any property in this State at a ratio greater than three-fourths of the value of the property insured, and when taken, its value shall not be questioned in any proceeding." This was construed in the case of *Gibson vs. Missouri Town Mutual Insurance Company*, 82 Mo., App. 1. c.

521, as follows: "We interpret this statute to enjoin upon the insurance company not to take a risk at more than three-fourths of the value of the property insured, but that when the value is fixed and the risk taken on a given amount that sum cannot be questioned afterwards, though it should, in fact, be more than three-fourths of the value. So that the practical effect of the statute is to make a valued policy. It is practically the same, in this respect, as section 5897 of the general statute of 1889." (Sec. 5897 mentioned is Sec. 7020, above quoted, of R. S. of 1909.)

WAIVER OF PROOFS OF LOSS.—Failure to furnish blank forms for proof of loss is construed as constituting a waiver of proofs.

WARRANTIES—If not material to the risk, warranties in applications for fire insurance are considered as representations only.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

ATLANTA—For each agent, \$2, payable annually.

AURORA—For each company, \$10.75, payable at time of starting business.

BELTON—For each company, \$5.25, payable June 30.

BETHANY—For each agent, \$10, payable from date of issue.

BEVIER—For each agent, \$5.25.

BISMARCK—For each company, \$5.50; each agent, \$2.50, payable when agency is established.

BLOOMFIELD—For each company, \$10.50; for each agent, \$5.50, payable when commencing business.

BOONVILLE—For each agent or company, \$20.50, payable annually upon commencing business.

BOWLING GREEN—For each company, \$5.50; for each agent, \$5.50, payable semi-annually.

BRECKENRIDGE—For each company, \$2.

BROOKFIELD—For each company, \$5 per year; for each agent, \$15, payable September 1.

BRUNSWICK—For each company, \$5; for each agent, \$5.50, payable annually.

BUCKNER—For each company, \$2, payable semi-annually, Jan. 1 and July 1.

CALIFORNIA—For each agent, \$10.50, payable January 1.

CAMPBELL—For each company, \$6.50; for each agent, \$11.50, payable semi-annually upon commencing business.

CANTON—For each company, \$5.50; for each agent, \$5.50, payable June 1.

CAPE GIRARDEAU—For each company, \$25; for each agent or firm, \$25; payable one year from date of issuance.

CARDWELL—For each company, \$7.50; for each agent, \$5.50, payable when due.

CARL JUNCTION—For each agent, \$5 per annum.

- CARTERSVILLE—For each agency, \$24, payable quarterly, January 1, April 1, July 1, and October 1.
- CARTHAGE—For each company, \$10.25, payable annually.
- CARUTHERSVILLE—For each company, \$7.50; for each agent, \$5.50, payable October 1.
- CENTRALIA—For each company, \$10.25; for each agent, \$5.25, payable July 1.
- CHAFFEE—For each company, \$22.
- CHARLESTON—For each company, \$3, payable February 1.
- CLARKSVILLE—For each company, \$15.25; for each agent, \$5.25, payable July 1.
- CLINTON—For each company, \$15.50; agent or firm, \$5.50, payable on date of opening office.
- COLE CAMP—For each company, \$5.50; for each agent, \$3, payable June 1.
- CRANE—For each company, \$6, payable July 1.
- CRYSTAL CITY—For each company or agent, \$2.50, payable semi-annually, January 1 and July 1.
- CUBA—For each company, \$3, payable semi-annually January 1 and July 1.
- DEEPWATER—For each company, \$3.50, payable Sept. 1.
- DE SOTO—For each company, \$10.50; for each agent, \$5.25; payable January 1
- DEXTER—For each company, \$2.50; for each agent, \$5.50, payable October 1.
- DONIPHAN—For each company, \$11; for each agent, \$6.
- EAST PRAIRIE—For each company, \$5; each agent, \$5; payable from date of issue.
- EDINA—For each company, \$5.50 per year, payable semi-annually January 1 and July 1; fee for issuing each license, 25 cents.
- ELDORADO SPRINGS—For each agent, \$7.50, payable January 1.
- ELMER—For each company, \$5.
- ELSBERRY—For each company, \$6, payable annually.
- ELVINS—For each company, \$5.
- FARMINGTON—For each company, \$5.50; for each agent or firm, \$5.50, payable upon commencing business.
- FAYETTE—For each company, \$5, payable June 1.
- FESTUS—For each company, \$6.
- FRANKFORD—For each company, \$3.50 yearly, from time of beginning business.
- FREDERICKTOWN—For each company, \$10.50, payable June 1.
- FULTON—For each agent, \$5, payable annually.
- GLASGOW—For each company, \$5.25; for each agent, \$10.25, payable annually, January 1.
- GREENFIELD—For each agent, \$5, payable January 1.
- GREEN CITY—For each company, \$3; for each agent, \$5.50, payable November 1.

- GREENVILLE—For each agent, \$3; payable July 11.
- HAMILTON—For each agent, \$3.50, payable annually, March 1.
- HANNIBAL—For each company, \$25; for each agent, \$15, payable semi-annually, January 1 and July 1.
- HARDEN—For each company, \$5.25, payable March 1.
- HARRISONVILLE—For each company, \$5 (also fee, 25 cents), payable June 1.
- HIGBEE—For each agent, \$5, payable May 1.
- HIGGINSVILLE—For each company, \$5.50; for each agent, \$5.50, payable November 1.
- HOLDEN—For each company, \$5.50; each agent, \$10.50, payable upon commencing business.
- HOUSTON—For each company, \$5.
- HUMANSVILLE—For each company, \$3.50; for each agent, \$3.50, payable November 1.
- HUNTSVILLE—For each company, \$5.50; for each agent, \$2; payable semi-annually, January 1 and July 1.
- INDEPENDENCE—For each company, \$10, payable annually, January 4.
- IRONTON—For each company, \$10; for each agent, \$5, payable annually.
- JACKSON—For each company, \$5.50, payable February 1.
- JAMESPORT—For each agent, \$2.25, payable annually, April 1.
- JEFFERSON CITY—For each company, \$20; for each agent, \$5 per annum, payable March 1.
- JOPLIN—For each agency, \$60 per annum, payable quarterly, February 1, May 1, August 1 and November 1.
- KANSAS CITY—For each company, \$100 per annum for each agent, payable January 4. Fire Patrol assessment, 1½ per cent of net premiums.
- KEYESVILLE—For each company, \$7.50, payable May 1.
- KENNETT—For each company, \$7.50; for each agent, \$5.50, payable upon commencing business.
- KING CITY—For each company, \$2.50, payable August 31.
- KIRKSVILLE—For each company, \$15.25; for each agent, \$5, payable July 1.
- KIRKWOOD—For each agent, \$5, payable July 1.
- KNOBNOSTER—For each company, \$1, payable July 1.
- LA GRANGE—For each company, \$3.50, payable February 1.
- LAMAR—For each company, \$15; for each agent, \$1.
- LA PLATA—For each company, \$2.75; for each agent, \$10.25; payable Sept. 1.
- LATHROP—For each company, \$10 per annum, payable June 1.
- LEE'S SUMMIT—For each company, \$2.50; for each agent, \$2, payable October 1.
- LIBERTY—For each company, \$15; for each agent, \$2.50; payable July 1.
- LINNFUS—For each company, \$6.
- LOCKWOOD—For each company, \$5; for each agent, \$3; payable July 1.
- LOUISIANA—For each company, \$10.50 for each agent, payable July 1.
- MACON—For each company, \$10, payable April 1.

- MADISON—For each company, \$1.25, payable on commencing business.
- MALDEN—For each company, \$7.75; for each agent, \$5.75; payable Aug. 13.
- MARCELINE—For each company, \$5; for each agent, 50 cents; payable January 1.
- MARSHALL—For each company, \$10.50; for each agent or firm, \$5, payable January 1.
- MARSHFIELD—For each company, \$2.25; for each agent, \$2.25 per annum, payable semi-annually, January 1 and July 1.
- MAYSVILLE—For each company, \$8, payable January 14.
- MEMPHIS—For each company, \$10.50 per annum, payable May 1.
- MEXICO—For each company, \$15.50; for each agent, \$5.50, payable upon commencing business.
- MILAN—For each company, \$3.50, payable semi-annually upon commencing business.
- MINDEN MINES—For each company, \$12.
- MOBERLY—For each company, \$5; for each agent, \$5, payable May 1.
- MONETT—For each company, \$10.25, payable January 1, April 1, July 1, and October 1.
- MONROE—For each agent, \$5, payable annually.
- MONTGOMERY CITY—For each agent, \$15.25, payable June 1.
- MOOREHOUSE—For each company, \$2; for each agent, \$6, payable May 1.
- MOUND CITY—For each company, \$10, payable upon commencing business.
- NEOSHA—For each agent, \$5; for each of first three companies, each additional, \$1; payable June 1.
- NEVADA—For each company, \$10 for each agency.
- NEW FRANKLIN—For each company, \$5.50, payable November 1.
- NEW HAVEN—For each company, \$5, payable July 1.
- NEW MADRID—For each agent, \$13, payable May 1 and November 1.
- NORBORNE—For each company, \$10; for each agent, \$5, payable annually.
- ODESSA—For each company, \$6; for each agent, \$7.50; payable July 1.
- ORONOGO—For each company or agent, \$10, payable quarterly, commencing January 1.
- OSCEOLA—For each company, \$6; for each agent, \$6; payable January 1.
- PACIFIC—For each agent, \$5.50, payable semi-annually, January 1 and July 1.
- PALMYRA—For each agent, \$5, payable semi-annually, January 1 and July 1.
- PEIRCE CITY—For each company, \$6.50; for each agent, \$10.50, payable annually.
- PERRY—For each agent, \$5.
- PIEDMONT—For each company, \$6, payable upon commencing business.
- PLATTSBURG—For each company, \$8.25; for each agent, \$10.75, payable January 1.
- PLATTSMOUTH—For each company \$2.
- PLEASANT HILL—For each company, \$5 semi-annually, payable January 1 and July 1.
- POLA—For each company, \$2.50, payable April 1.

- POPLAR BLUFF—For each agent, \$7.50; for each company, \$3, payable January 1.
- RICH HILL—For each company, \$10, payable January 1.
- RICHMOND—For each company, \$11 per annum, payable semi-annually, January 1 and July 1.
- ROCKPORT—For each company, \$5, payable July 1.
- ROLLA—For each agent, \$5.
- ST. CHARLES—For each company, \$15; for each agent, \$5, payable on commencing business.
- STE. GENEVIEVE—For each company, \$10.
- ST. JOSEPH—For each company, \$50 per annum, payable January 1.
- ST. LOUIS—For each company, \$100; payable April 1; Underwriters Salvage Corps, two per cent on net premiums.
- SALISBURY—For each company, \$5, payable January 1.
- SARCOXIE—For each agent, \$2.50, payable semi-annually.
- SAVANNAH—For each company, \$10.50, payable May 1.
- SEDALIA—For each company, \$25, payable June 1.
- SENECA—For each company, \$2.50; for each agent, \$1, payable June 1.
- SHELBINA—For each agent, \$5.50, payable July 1.
- SLATER—For each company, \$2.50, payable June 1.
- STANBERRY—For each company, \$5.50, payable June 1.
- STEELVILLE—For each company, \$5.
- SULLIVAN—For each company, \$1, payable January 1.
- SWEET SPRINGS—For each company, \$5.50; for each agent, \$5.50, payable June 1.
- THAYER—For each agent, \$5; payable January 1.
- TIPTON—For each agent, \$6 per annum, payable semi-annually.
- TRENTON—For each company or agent, \$10, payable on commencing business.
- TROY—For each company, \$4, payable March 1.
- VANDALIA—For each agent, \$4; for each company, \$4; payable annually.
- VERSAILLES—For each agent, \$5.
- WARRENSBURG—For each company, \$12, payable June 1.
- WARSAW—For each company, \$5, payable June 1.
- WASHINGTON—For each company, \$5, payable July 1.
- WEBB CITY—For each agency, \$100 per annum, payable quarterly, January 1, April 1, July 1 and October 1.
- WEBSTER GROVES—For each agent, \$7, payable July 1.
- WELLSVILLE—For each company, \$2.50; for each agent, \$5 (proposed), payable April 1.
- WESTMINSTER—For each agent, \$10, payable May 1.
- WESTON—For each agent or company, \$25, semi-annually, April and October.
- WEST PLAINS—For each company, \$10, payable January 1.
- WILLOW SPRINGS—For each company, \$6.50, payable annually.
- WINDSOR—For each company, \$5.25; for each agent, \$5.25, payable April 1.

MONTANA.

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 4064 R.C. “* * * The term agent or agents used in this chapter includes an acknowledged agent or surveyor or any other person or persons who in any manner, directly or indirectly, transact or aid in transacting the insurance business of any insurance company not incorporated by the laws of this State.” Acting as agent of unauthorized company constitutes a felony.

AGENTS' LICENSES—Agents must annually secure certificates of authority, which expire March 31. Applications for licenses must be made by company's officers, under seal. Sub-agents must be licensed. One license is held to be sufficient in the case of a firm or company acting as agent. Acting for an unlicensed company is a felony. Licenses are transferable.

ANNUAL STATEMENTS—Must be filed within sixty days from January 1. Domestic mutual companies must report in January. Foreign companies also file home office statements prior to July 1.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT—No provision relating to insurance companies.

ANTI-REBATE—A law of 1903 forbids the making of any discrimination or distinction in favor of individuals between insureds or property of the same class in the amount of premiums or rates charged for policies, or in benefits, etc., under penalty of fine not exceeding \$500, and revocation of license for one year.

ATTORNEY—Company must appoint an attorney in each county in which it has an agency established, to accept service of legal process. Appointments of attorneys remain in force until revoked. Service may be made on Insurance Commissioner if not obtainable on attorney.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Company must possess at least \$200,000 of capital, exclusive of deposits in other States for the special benefit of the insured therein.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—None required of American companies. Foreign companies must have at least \$200,000 on deposit in one of the United States for the benefit of all United States policyholders. (Auditor must be satisfied as to value; no law specifying character of securities.)

DOMESTIC COMPANIES—(Sec. 4042 R.C.). “When any number of persons associate themselves together for the purpose of forming an insurance corporation for any other purpose than life insurance, they shall publish a notice of such intention once a week for four consecutive weeks in a public newspaper in the county in which such insurance corporation is proposed to

be located; and they shall also make articles of incorporation, as provided in Sec. 403 of this Code, and forward to the State Auditor, who shall submit the same to the Attorney-General for examination, and if it shall be found by the Attorney-General to be in accordance with the provisions of this chapter, and not in conflict with the Constitution and laws of the United States and this State, he shall make a certificate of the facts and return it to the State Auditor, who shall reject the name or title applied for by any persons, when he shall deem the same so similar to any one already appropriated by any other company, as to be likely to mislead the public." Capital must be not less than \$200,000, nor more than \$1,000,000. One-half, at least, must be paid in cash, and the remainder in secured notes. There must be not less than three, nor more than thirteen directors. A company can transact but one class of insurance. (Sec. 4074 R.C.). "It is unlawful for any corporation organized upon the mutual plan to do business and take risks upon the stock plan, or for a corporation organized as a stock corporation to do business upon the plan of mutual insurance." Insurance Commissioner has supervision over companies in process of formation.

EXAMINATIONS—Act of February 13, 1909. Sec. 42. "The Commissioner of Insurance shall examine and inquire into violations of insurance laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any insurance company, including surety companies, organized under the laws of this State, or any other State or Territory, or foreign country, he may visit, or cause to be visited by any competent person or persons he may appoint, the head office in this State or in the United States of any domestic or foreign insurance company applying for admission to, or already admitted, to do business in this State, and may for these purposes examine or investigate any company organized under the laws of Montana and any agency of any company doing business in this State." The expense of such examinations to be borne by the companies examined.

FEES—For filing charter, examination of first papers and admission to State, \$300; filing annual statement, \$25; license to collect in any one year gross premiums amounting to \$5000 or less, \$125; license to collect premiums above \$5000 in any one year, \$20 per \$1000 for each and every \$1000 collected, but if 50 per cent of capital is invested in Montana securities. taxes paid may be deducted from license fee; for certificate of authority to each agent, \$5 (transferable). Company and agents' licenses expire March 31. Publication fee, \$9. State fees are payable to State Auditor.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—Act of March 17, 1911, creates office of State Fire Marshal and impose tax of one-fourth of one per cent on fire premiums of fire insurance companies, less return premiums and cancellations, for maintenance of department.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed by July 1.

IMPAIRMENT—Sec. 4062, R.C. “* * * No agent shall be allowed to transact business for any company whose capital is impaired by the liabilities, as stated in Sec. 3920 of this chapter, to the extent of 20 percent thereof while such deficiency shall continue.”

INVESTMENTS PRESCRIBED—Domestic companies may invest their capital and accumulated funds in bonds and mortgages on unencumbered real estate in Montana, worth at least double the amount loaned thereon, or in stocks of Montana or stocks or treasury notes of the United States, or in stocks and bonds of any county or incorporated city in Montana, and may lend on the pledge of above securities, but the surplus money over and above the paid-up capital stock of any such company may be invested in or loaned upon the pledge of public stocks of the United States or any of the States, on stocks, bonds, or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of Montana or the United States, except its own stock, provided the current market value of such securities shall be at all times during the continuance of such loan at least twenty per cent more than the sum loaned thereon. No domestic company may purchase, hold or convey real estate except for the accommodation of its business. All other real estate acquired in the legitimate course of business shall be sold and conveyed within three years after the same shall have been declared by the State Auditor unnecessary for the company's business, but for sufficient cause time may be extended by said Auditor for such sale.

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital. No company shall “write on a risk within the corporate limits of any one city an amount representing more than the paid-up capital of the corporation, unless the excess shall be insured by the same in some other good and reliable company or companies.”

LLOYDS—The law as to capital applies to (Sec. 4062, R. C.) “any insurance company, association or partnership, organized or associated for any of the purposes specified in this chapter.” Sec. 4075, R.C. “Nothing in this chapter must be so construed as to prevent any number of persons, not exceeding 200, from making mutual pledges, and giving valid obligations to each other, for their own insurance from loss by fire or death; but such association of persons must in no case insure any property not owned and occupied by one of their number; and no life except that of one of their own number; nor are the provisions of this chapter applicable to such associations or companies. But such associations or companies must not pay any salaries or compensation to officers, agents, or other employees, or receive premiums, or make dividends.”

MISCELLANEOUS—Fire and marine insurance companies may insure against loss or damage to motor vehicles resulting from accident, collision or marine and inland navigation and transportation perils; and to insure growing crops against loss or damage resulting from hail or the elements.

MUTUAL COMPANIES—(Sec. 4045, R.C.). "No corporation on the plan of mutual insurance shall commence business in this State, until agreements shall have been entered into for insurance with at least two hundred applicants, the premiums upon which shall amount to not less than \$25,000, of which at least \$5000 shall have been paid in cash, and for the remainder of which, notes of solvent parties, founded upon actual and bona fide applications for insurance, shall have been received; no one of the notes received, as aforesaid, shall amount to more than \$500, and no two thereof shall be given for the same risk, or made by the same person or firm, except when the whole amount of such notes does not exceed the sum of \$500, nor shall any note be regarded or represented as capital stock unless a policy be issued upon the same within thirty days after the organization of the corporation taking the same, upon a risk which shall be for no shorter period than twelve months; each of said notes shall be payable in whole or in part, at any time when the directors shall deem the same requisite for the payment of losses by fire or inland navigation, and such incidental expenses as may be necessary for transacting the business of said corporation; and no notes shall be accepted as a part of such capital stock, unless the same shall be sufficiently indorsed or secured, if security is required by the directors, and no such note shall be surrendered while the policy for which it was given continues in force." This applies to domestic companies only. A mutual company organized outside of Montana may be licensed if it has \$200,000 surplus or \$7,000,000 of insurance in force. Provision is also made for the formation of mutual rural insurance companies.

PRELIMINARY DOCUMENTS—Company must file with the Auditor a certified copy of the charter and by-laws and a verified statement showing its financial condition. Foreign company files certificate of deposit. Company licenses expire March 31, annually. Certificates of compliance with laws of company's home State are filed annually.

PUBLICATION—Sec. 4070, R.C. "It is the duty of every insurance corporation or company of the kind authorized to do and doing business in this State, organized under the laws of this State, or of any other State, Territory or country, to publish once, annually, in two newspapers of general circulation, one of which is published at the capital of the State, and in case of corporations organized in the State, one of which is published in the county where the principal office is located, a certificate from the State Auditor that such company or corporation has in all respects complied with the laws of this State relating to insurance, and in addition thereto such notice shall contain a condensed statement of capital, assets, liabilities, income and expenditures." Unpaid capital or unavailable assets must not be advertised. Publication fee, \$9, payable to the Auditor, who designates the publication as provided by law.

RECIPROCAL LAW—Sec. 4069, R.C. "Whenever the existing or future laws of any other State or Territory of the United States require of insurance corporations, incorporated by, or organized under, the laws of this

State, having agencies in such other State or Territory, or of the agents thereof, any deposit of securities in such State or Territory, or of the agents thereof, for the protection of policyholders or otherwise, or any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States and Territories by the existing laws of this State, then, and in every such case, all companies of such States or Territories establishing, or having heretofore established, any agency or agencies in this State, are required to make the same deposit for a like purpose with the Auditor of this State, and to pay said Auditor for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed upon or required by the laws of such State or Territory of the companies of this State or the agents thereof."

REINSURANCE—Senate Bill 85, 1899, Sec. 2. "No fire insurance company or association shall reinsure in any manner whatsoever the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in the State, any risk or liability or any part thereof assumed by it, under any form of contract of insurance, covering property in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating, or specific, to reinsure excess loss by one or more fires. No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Statements of reinsurances must be made annually and as much oftener as required by State Auditor. Penalty for violation, fine of \$500; failure to pay a fine is punishable by revocation of license. We are advised by the Insurance Commissioner of Montana that the Department has ruled that reinsurance policies need not be signed by resident agents.

REINSURANCE RESERVE—Fifty per cent of premiums on unexpired risks. Insurance Department rules that this percentage applies to risks having less than one year to run, and requires pro rata reserve on those for longer terms.

RESIDENT AGENTS—Sec. 4036, R. C. "No fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general floating policy, upon property situated or located in this State except after said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to

transact insurance business herein, who shall countersign all policies so issued and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State, from issuing policies at its principal or department offices, covering property in this State, provided, that such policies are issued upon application procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall keep a record of and countersign all policies so issued and receive the commission thereon when paid." The license of an agent removing from the State becomes void, but may be transferred to another agent of the company. Penalty for violation, revocation of license for ninety days.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None required to be used.

TAXES—Fire marshal tax one-fourth of one per cent on fire premiums, less return premiums and cancellations. (See "Fees.")

TAX STATEMENTS—Included in annual statements.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

BUTTE—For each agent, \$2.50 per quarter; companies pay 31.1 mills per \$1 of gross premiums less expenses; payable after first Monday in March.

DEER LODGE—For each agent, \$1 annually.

GLENDIVE—For each agent, \$10; payable quarterly.

GREAT FALLS—For each agent, \$3 per quarter.

HAVRE—For each agent, \$2.50 quarterly.

LEWISTOWN—For each agent, \$20 per annum; payable quarterly.

RED LODGE—For each agent, \$4 per annum, payable quarterly.

NEBRASKA.

STATE REQUIREMENTS.

AGENTS DEFINED.—Sec. 36 (Ins. Code, 1913). "Any person, firm or corporation in this State who shall with authority receive or receipt for any money on account of, or for any contract of insurance, made by him or them, or for any such insurance company or individual aforesaid, or who shall with authority receive or receipt for money from other persons to be transmitted to any such company, or individual aforesaid, for a policy or policies of insurance, or any renewal thereof, although such policy or policies of insurance may not be signed by him or them, as agent or agents of such company, or who shall in anywise make or cause to be made any contract or contracts of insurance, for or on account of such company aforesaid, shall be deemed, to all intents and purposes, an agent or agents of such company."

AGENTS' LICENSES—Sec. 56 (Ins. Code). "No person shall act as soliciting agent or broker for any insurance company in the transaction of any business of insurance within this State, or negotiate for or place risks for any such company, or in any way or manner aid such company in effecting insurance in this State, except as provided in section 25 of this act, unless such company shall in all things have complied with the provisions of this act. Every insurance soliciting agent or broker shall annually procure a license from the board, which shall make and keep a record thereof. Only a natural person shall be licensed as an agent or broker, and every license shall expire on the last day of April in each year." Licenses issued on application of company only.

ANNUAL STATEMENTS—Must be filed on or before March 1. No statements need now be made by companies to any State officer other than the Insurance Commissioner. (Local agents attend to tax statements.)

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—Sec. 50 (Ins. Code). "If any insurance company authorized to transact business in this State, or any agent or representative thereof shall, either within or outside of this State, directly or indirectly, enter into any contract, understanding or combination with any other insurance company, or agent or representative thereof for the purpose of controlling the rates to be charged for insuring any risk or class or classes of risks in this State, the board shall forthwith revoke its license and those of its agents, and no renewal of the licenses shall be granted until after the expiration of one year from the date of final revocation."

ANTI-REBATE—Sec. 144 (Ins. Code). "No insurance company by itself or any other party, and no insurance agent or broker, personally or by any other party, shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of or part of the premium payable on the policy or of

any policy, or agent's commission thereon or earnings, profits, dividends, or other benefits founded, arising, accruing or to accrue thereon or therefrom or any paid employment or contract for service, or for advice of any kind, or any other valuable consideration or inducement to or for insurance, on any risk authorized to be taken under this act, now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, agent or broker, personally or otherwise, offer, promise, give, sell or purchase any stock, bonds, securities or property, or any dividends or profits accruing or to accrue thereon, or other thing or value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy. No insured person or party shall receive or accept, directly or indirectly, any rebate of premium or part thereof or agent's or broker's commission thereon, payable on the policy, or on any policy of insurance, or any favor or advantage or share in the dividends or other benefits to accrue on, or any valuable consideration or inducement, not specified in the policy contract of insurance."

ATTORNEY—No company may be licensed until it has given and executed full power of attorney to the Secretary of the Insurance Board (Sec. 14, Ins. Code, 1913), upon whom legal process may be served.

CANCELLATION OF POLICY—On demand of the insured, his assignee or legal representative, a company must cancel its policy and pay him or his representatives (Sec. 72) "the net amount of premium received by the company after deducting the customary short-rate premium for the expired time of the full term for which said policy was issued or renewed, anything in the policy to the contrary notwithstanding." Company may cancel by returning to insured the paid unearned premium.

CAPITAL REQUIRED—Of foreign fire and inland marine companies, \$100,000; of domestic companies, \$100,000. New company must have surplus equal to twenty-five per cent of its capital. Alien company must have \$200,000 in approved securities deposited with some State in the United States.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents, and the latter not be required to divide same with a non-resident, or with a resident of Nebraska who is not licensed as an agent.

DEPOSIT—Sec. 42. "Every domestic company shall deposit all of its investment securities, not including premium notes, with the insurance board, for the benefit of its policyholders until they aggregate the sum of one hundred thousand dollars, and thereafter keep such amount of its securities deposited with the board and no more, as near as may be practicable." Alien company must have \$200,000 deposit in some State for benefit of all policyholders.

DOMESTIC COMPANIES—Sec. 82. (Ins. Code). "Nine or more persons may form an insurance corporation. They shall execute articles of incorporation, and submit them to the insurance board for examination, and if approved and found by it to be in accordance with the laws of this State.

the board shall so certify. When such articles are thus approved, they shall be filed in the office of the Secretary of State and of the county clerk of the county in which the principal office of the company is to be established, and a copy thereof filed in the office of the insurance board. The articles shall not be considered filed until they have been filed in each of said offices as above provided. Within thirty days after receiving the certificate of authority to transact business, and within four months after filing its articles as aforesaid, such corporation shall publish a notice in some legal newspaper, which notice shall contain the same information, as far as practicable, as that required under the general incorporation laws of this State." No company shall transact business not mentioned in its charter.

EXAMINATIONS—Sec. 8 (Ins. Code). "The board, through its secretary, actuary or one of its examiners, shall examine each domestic company at least once every three years, and thoroughly inspect and examine its affairs to ascertain its true financial condition, its ability to meet and to fulfill its obligations, whether it has complied with the provisions of the law, and all other facts that may be required relating to its business, methods and management and its dealings with its policyholders. Whenever the board deems it advisable, it shall cause a complete audit of the books and accounts of the company to be made by a disinterested expert accountant. When the board deems it prudent for the protection of policyholders in this State, it shall in like manner visit and examine by its secretary, actuary or examiner, any insurance company incorporated or organized in any other State or country applying for admission or already admitted to do business in this State. The person making an examination required or provided by this section may require the company and its officers to exhibit its assets, books and papers, and shall have free access to all the books, records, accounts, vouchers, papers and files of such company which relate to its business; may compel by subpoena the attendance before him and examine under oath its directors, officers, employees and other persons relative to its affairs, transactions and conditions." Company pays all expenses of examinations.

FEES—Domestic companies organized or incorporated, for charter and filing papers, \$50 (assessment companies, \$10); annual statement, \$20; agent's certificate, domestic company, 50 cents; copy of certificate of authority of domestic company, 50 cents; of foreign company, \$2. For every copy of any paper filed, 50 cents. Foreign companies pay same fees as domestic, except agents' certificate, \$2. Fees are payable to State Treasurer, but should be forwarded to Insurance Department. We are advised by the Insurance Deputy of Nebraska that the requirement of occupation fees, based on capital to be paid to the Secretary of State, does not apply to insurance companies. Fees all subject to reciprocal provision.

FIRE DEPARTMENT TAX—Cities and villages having less than 25,000 population may levy and collect a license tax of not more than \$5 per annum on each fire insurance company for the benefit of fire departments.

FIRE MARSHAL—The Governor is constituted Fire Commissioner, with authority to appoint deputies and inspectors; and chiefs of fire departments and other public officials are required to investigate fires. See "Taxes."

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—~~Not~~ required.

GENERAL PENALTY—Sec. 156 (Ins. Code). "Any company or person who knowingly violates any provision of this act for which no penalty is provided, shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding one hundred dollars or by imprisonment in the county jail not exceeding three months."

IMPAIRMENT—A company whose capital, after proper examination, is found to be impaired, or whose assets are insufficient to justify its continuance in business, must not continue business while such impairment exists. On refusal or neglect to restore capital, board may bring the company before the court, and after proper proceedings, if action is decided against them, their license may be revoked.

INVESTMENTS PRESCRIBED—Sec. 39 (Ins. Code). "The capital stock of any domestic insurance company shall be invested and kept invested to the extent of the minimum capital required by law, as follows:

"1. In legally executed bonds, warrants and securities of the United States or of the District of Columbia, or of any State of the United States not estimated above their par value, nor their current market value; or,

"2. In legally executed bonds, warrants and securities of any county, incorporated city or school district in any State, which has not defaulted in the payment of interest on any of its bonds, warrants or securities within three years, and which shall not be estimated above their par value nor their current market value; or,

"3. In legally issued bonds or notes secured by first mortgage on real estate in this or any of the other States of the United States worth, with the improvements thereon, at least double the sum loaned thereon. * * "

4. The residue of the capital, together with the surplus and other funds of every such company, may be invested in or loaned on the pledge of any of the above securities; provided, that the amount loaned on real property or mortgages thereon does not exceed fifty per cent of the reasonable cash market value of such property, and the requirements as to keeping the improvements thereon insured is observed. * * * " A domestic company may acquire real estate for its own occupancy not exceeding in value twenty-five per cent of its assets, and may take over real property under foreclosure or in satisfaction of debts, but must dispose of same within five years.

Sec. 40. "The capital and funds of every foreign or alien insurance company shall be invested and kept in the same class of securities specified for domestic insurance corporations, except that securities authorized by the law of the home State, or country, of such company may be recognized as legal investments in the discretion of the insurance board."

LICENSED BROKERS—Sec. 25 (Ins. Code). "The board, in consideration of a yearly payment of one hundred dollars and the furnishing of a bond as hereinafter provided, may issue to any citizen in this State a license, revocable at any time, permitting the party named in such license to place or effect insurance upon risks located in this State with companies not licensed to do business in this State. No person shall place, procure or effect insurance upon any risk located in this State in any company not licensed to do business in this State until such person shall have first procured a license from the board, as provided in this section, and has furnished a bond to the State of Nebraska in the penal sum of not less than five hundred dollars nor more than three thousand dollars, the amount thereof to be fixed by the board, with sureties thereon to be approved by the board, conditioned that he will conduct such business in accordance with the provisions of this section, and will pay the taxes assessed against such company. Every such agent must keep a true and complete record of the business transacted. * * * Before any insurance shall be procured or effected under such license, there shall be executed by such agent, and by the party or his authorized agent desiring insurance, an affidavit, which shall be filed with the board within thirty days after procuring such insurance. Such affidavit shall set forth that the party desiring insurance is, after diligent effort, unable to procure the insurance required to protect the property owned or controlled by him, from the companies licensed to transact business in this State. Every company making insurance under the provisions of this section shall be held to be doing business in this State as an unlicensed company, and be sued upon any cause of action arising under any policy of insurance so issued and delivered by it in the county where the agent who registered or delivered such policy resides or transacts business, by the service of summons made upon such agent for such company." Failure or refusal to make required statement renders offender liable to a fine of \$25 for each day of delinquency, and violation of any of the provisions is punishable by revocation of license.

LIMIT ON A SINGLE RISK—Sec. 89 Ins. Code, 1913. (This applies only to mutual companies.) "Except as otherwise provided by law, the maximum single risk shall be three times the average policy, or one-eighth of one percentum of the insurance in force, whichever sum is the greater. Any reinsurance taking effect simultaneously with the policy shall be deducted in determining such maximum single risk. The minimum number of risks outstanding shall be two hundred, each within the maximum single risk prescribed herein." Sec. 113. (Applies to stock companies.) "No insurance company * * * shall expose itself to a single hazard in the congested district of any city or town for a larger amount than one-tenth of its paid-up capital in the United States, unless it provides for reinsurance of the excess simultaneously with the original contract." Violator liable to revocation of license.

LLOYDS—No provision ; previous law repealed.

MISCELLANEOUS—Sec. 32 (Ins. Code). "Every insurance company shall conduct its business in this State in its own name, and the policies and contracts of insurance issued by it shall be headed or entitled by such name. Two or more companies may jointly issue an underwriter's policy, upon which must appear the names of the companies guaranteeing the same, and such companies shall be jointly and severally liable thereon. Provided, this limitation shall not apply to any insurance company admitted to this State and issuing an underwriter's policy prior to the passage and approval of this act, nor, in the discretion of the insurance board, to any insurance company desiring to issue an underwriter's policy after the passage and approval of this act." Removal by a company of a suit to a Federal court will be punished by the revocation of its license. Whenever a company's license is revoked it shall not be able to be relicensed in the State for three years. No company shall be admitted whose organization and promotion expenses exceed ten per cent of par value stock sold. Judgment for attorneys' fees against insurance company when losing case. (Chap. 43, Sec. 451, 1889). Over-insurance is prohibited. Adjusters must report any violation of law discovered by them.

MUTUAL COMPANIES—No company on the plan of mutual insurance shall commence business until agreements have been entered into for insurance with at least 200 applicants.

PRELIMINARY DOCUMENTS—Certified copy of charter and amendments and verified copy of financial statement and annual statement; copies of policy forms and application blanks, foreign companies must file certified copy of charter; copies of policy form and application blanks. (Sec. 37, Ins. Code, 1913.) An alien or foreign company must have made at least four annual reports in its home State of country. (Sec. 140.)

PUBLICATION—No requirement.

RECIPROCAL LAW—Sec. 34 (Ins. Code). "Whenever the laws of any other State or the rules and regulations of the insurance department of any such State shall require of insurance companies organized under the laws of this State any deposit of securities or money in such State for the security of the policyholders, or any payment of taxes, fines, penalties, certificates of authority, licenses or fees, or any other duties, examinations or acts than are by the laws of this State required of such companies organized under the laws of such other State, then the insurance board shall immediately require from every insurance company of every kind and character whatever of such other States, transacting or seeking to transact business in this State, a like payment of all licenses, taxes, fines or penalties, and a like making of all deposits of securities and statements, and the like doing of all acts which, by the laws or rules of the insurance department of such other State, are in excess of the licenses, fees, fines, taxes, deposits, statements, penalties, acts, examinations, or duties required by the laws of this State of the companies of such other States."

REINSURANCE—According to Sec. 91, Ins. Code of 1913, any authorized company may, by a contract of reinsurance, assume the risks of any other company doing a similar business, or reinsure its risks and business only if both companies, party to the reinsurance, are duly authorized in this State, and the board find that such contract will not impair the solvency of either company, and if the contract is submitted to the Insurance Board of the State and the directors of the company which proposes to reinsure. Insurance Commissioner rules that no company can reinsure Nebraska risks in an unauthorized company.

REINSURANCE RESERVE—Forty per cent of total premiums charged on risks in force.

RESIDENT AGENTS—Sec. 52. "No insurance company admitted to do business in this State shall write, place or cause to be written or placed, any policy of insurance covering risks located or residing in this State, except through or by a duly licensed agent of such company, resident within or licensed by the insurance board of this State, except that any officer of a domestic company may write or place a policy of insurance if done at the home office of such company."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—Sec. 101 (Ins. Code of 1913). Forbids the use of any other form except that known as the New York Standard, or one prescribed by the insurance board. Anyone issuing any other policy shall be punishable by a fine not exceeding \$100, and the board may revoke license of company, agent or broker.

TAXES—Under the Revenue law of 1903, Sec. 58, other State and foreign companies are taxed in the county, town, city, village and school district where the agent conducts business upon gross premiums received for insurance upon property in the State during the preceding year at the property rate; Sec. 61 provides that domestic companies shall be taxed upon their net premiums, viz., gross, less return premiums and reinsurances through regularly authorized agents in the State. Agents must file statements, and are personally liable for the tax. This tax is in lieu of all others, except occupation taxes and those prescribed on real estate, etc., by the general revenue law. Personal taxes become due November 1, and delinquent December 1. Other State and foreign companies are governed by reciprocal provision. Taxes paid County Treasurer will be credited by the Insurance Department upon taxes levied under reciprocal law, when tax receipts are presented on or before May 1 of following year. A tax of three-eighths of one per cent on gross fire premiums (after deducting cancellations and reinsurances) on all business in Nebraska, is imposed in order to defray the expense of investigating fires; payable annually in January to the State Treasurer, by all stock fire companies.

TAX STATEMENTS—Must be filed on or before April 1. See "Taxes."

VALUED POLICY—Sec. 74 (Ins. Code of 1913). "Whenever any policy of insurance shall be written to insure any real property in this State against

loss by fire, tornado or lightning, and the property insured shall be wholly destroyed without criminal fault on the part of the insured or his assignee, the amount of the insurance written in such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages."

COUNTY TAXES AND FEES.

NUCHOLL—For each company, 5 per cent of net premiums, payable May 1.
PAWNEE—For each company, 7 7/10 per cent on one-fifth valuation of annual premiums, payable December 1.

MUNICIPAL TAXES AND FEES.

See "Fire Department Tax" and "Taxes."

AINSWORTH—For each company, \$5; payable July 1.
ALBION—For each company, \$5; payable about May 1; also tax at property rate on one-fifth of net premiums, payable October 1.
ALLIANCE—For each company, \$5, payable August 1.
ALMA—For each agent, \$5, payable August 1.
ANSLEY—For each company, \$5, payable July 1.
ASHLAND—For each company, \$5, payable May 1.
AUBURN—For each company, \$5, payable annually, May 1.
AURORA—For each agent, \$5, payable May 1; also tax at property rate on one-fifth of total premiums, payable December 1.
BEATRICE—For each company, \$10, payable May 1.
BLAIR—For each company, \$5, payable June 1.
BLOOMFIELD—For each company, \$5, payable July 1.
BLUE HILL—For each company, \$5, payable May 1.
BROKEN BOW—For each company, \$5; for each agent, \$4, payable May 1.
Also tax on one-fifth of gross premiums at property rate, payable December 1.
CENTRAL CITY—For each company, \$5, payable May 1.
CHADRON—For each company, \$5, payable May 1.
CLAY CENTER—For each company, \$5, payable annually May 1.
COGAD—For each company, \$5; for each agent, \$5, payable February 14.
COLLEGE VIEW—For each company, \$5, payable May 1.
COLUMBUS—For each company, \$10; payable May 1. Gross premiums, less losses and cancellations, taxed as personal property.
CREIGHTON—For each company, \$5, payable May 1.
CRETE—For each company, \$5, payable May 1.
DAVID CITY—For each company, \$10, payable May 1.
EDGAR—For each company, \$5, payable May 1.
EXETER—For each company, \$5, payable May 1.
FAIRBURY—For each company, \$5, payable May 1.

- FAIRFIELD—For each agent, \$5, payable May 1.
FAIRMONT—For each company, \$5, payable May 1.
FALLS CITY—For each agent, \$7, payable November 1.
FLORENCE—For each company, \$3, payable April 1.
FREMONT—For each company, \$5, payable May 1.
FRIEND—For each company, \$5; for each agent, \$5, payable July 1.
FULLERTON—For each company, \$5, payable July 1.
GENEVA—For each company, \$5, payable May 1.
GENOA—For each company, \$5, payable June 1.
GOTHENBURG—For each company, \$5, payable May 1.
HARVARD—For each company, \$3, payable November 1.
HASTINGS—For each company, \$5, payable May 1.
HAVELOCK—For each company, \$5, payable May 1.
HEBRON—For each company, \$5, payable May 1.
HOLDREGE—For each company, \$5, payable May 1.
HUMBOLDT—For each company, \$5, payable May 1.
KEARNEY—For each company, \$5.25, payable May 1.
LEIGH—For each agent, \$5, payable first Tuesday in May.
LEXINGTON—For each company, \$5; for each agent, \$5.
LOUISVILLE—For each agent, \$1; for each non-resident agent, \$5, payable April 30.
LOUP CITY—For each company, \$5, payable annually May 1.
MADISON—For each company, \$5, payable May 1.
MINDEN—For each company, \$5, payable October 1.
NEBRASKA CITY—For each company, \$5, payable February 1.
NELIGH—For each company, \$7, payable May 1.
NORFOLK—For each company, \$5, payable August 1.
NORTH BEND—For each company, \$5; payable April 15.
NORTH PLATTE—For each company, \$5, payable May 1.
OAKLAND—For each company, \$4, payable January 1.
OSCEOLA—For each company, \$5, payable May 1.
ORD—For each company, \$5, payable May 1.
PAWNEE CITY—For each company, \$5, payable May 1.
PIERCE—For each agent, \$5, payable May 1.
PLATTSMOUTH—For each company, \$2, payable May 1.
RED CLOUD—For each company, \$5, payable May 1.
RISING CITY—For each company, \$5, payable May 1.
SALEM—For each company, \$1, payable May 1.
SCHUYLER—For each company, \$2.50 annually.
SCOTTS BLUFF—For each company, \$5, payable November 1.
SCRIBNER—For each company, \$5, payable May 1.
SEWARD—For each company, \$10.
ST. PAUL—For each company, \$5, payable May 1.
SHELTON—For each company, \$5, payable August 1.
SIDNEY—For each company, \$5, payable May 1.

SO. OMAHA—Tax on gross premiums at property rate.

STANTON—For each agent, \$5, payable first Tuesday in May.

STROMSBURG—For each company, \$5, payable April 30.

SUPERIOR—For each company, \$5, payable May 1.

SUTTON—For each company, \$5, payable May 1.

TECUMSEH—For each company, \$5, payable May 1.

TEKAMAH—For each company, \$5, $\frac{1}{5}$ per cent of gross premiums, payable November 1.

UNIVERSITY PLACE—For each company, \$5, payable first Tuesday in May.

WAHOO—For each company, \$5, payable May 1.

WAYNE—For each company, \$5, payable May 1.

WEeping WATER—For each company, \$5; for each agent, 50 cents; payable May 1.

WEST POINT—For each company, \$5, payable May 1.

WILBER—For each company, \$5, payable June 1.

WINNEBAGO—For each company, \$5, payable January 1.

WISNER—For each company, \$1, payable annually.

WYMORE—For each company, \$5, payable first Tuesday after first Monday in April.

YORK—For each company, \$5, payable in April.

NEVADA.

STATE REQUIREMENTS.

AGENTS DEFINED—No definition.

AGENTS' LICENSES—Law of 1915 provides that agents must procure licenses, such to be issued by Insurance Commissioner on written request of general agent or other responsible officer of any licensed company. License is good until February 1 of succeeding year. Any one soliciting insurance without such license or writing, if for any company not authorized to do business within the State, shall be guilty of a misdemeanor and liable to a fine of \$100 or fifty days' imprisonment, or both, and be debarred from transacting any more insurance within the State.

ANNUAL STATEMENTS—Must be filed on or before March 1, showing condition of company December 31 preceding. Penalty for default, \$100 for each day, and license may be suspended during default on notice by Controller. Penalty for making false statement, a fine of \$500 to \$5000, which may be imposed on the company or on the person making false oath.

ANTI-COINSURANCE—No prohibition of coinsurance clauses.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A citizen and resident of the State must be authorized to accept service of legal process. In the absence of such attorney, service upon the Controller shall be binding.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Company must possess paid-up, unimpaired capital of at least \$200,000. Domestic company must have at least \$100,000 capital.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—None required of American companies. Foreign companies must have a sum equal to \$200,000 in gold coin in excess of liabilities on deposit in one of the United States for the benefit of all policyholders in the United States.

DOMESTIC COMPANIES—Law of 1881, Sec. 2., as amended in 1915.

"Corporations may be formed under the general laws of this State for the transaction of insurance business, but no such corporation shall be permitted to assume any risk as insurer unless the same shall have at least five directors, who shall be residents and propertyowners in this State, and stockholders in the corporation; nor not until such corporation shall have a paid-up, unimpaired cash capital equal to \$100,000 in United States gold coin, * * *" which shall be invested as specified below. Provision is also made for change of capital stock, location of home office, number of directors, etc., provided that these changes do not go below the prescribed limit.

EXAMINATIONS—Insurance Laws of 1915, Sec. 8. "The Insurance Commissioner shall have the right to make an examination of the condition of any insurance company doing business in the State, either upon his own volition or the sworn statement alleging irregularity or insolvency of the company from five bona fide policyholders, stockholders or creditors thereof, and may withdraw or withhold his certificate of authority to do business in this State, pending or subsequent to such an investigation." Sec. 11. "The Insurance Commissioner may appoint as deputy any competent person to make an examination of a nonresident insurance corporation, and the expenses of said examination shall be wholly borne by the company examined, but shall in no case be higher than the compensation allowed by the local laws of the State for such services where such examination is made."

FEES—Law of 1881, Sec. 14. "The Controller shall collect, for filing each power of attorney and issuing his certificate as required by this act, \$5; for an annual license to each fire insurance company to transact business throughout the State, \$100" (license fee pro-rated to December 31, when licenses expire). Sec. 9, Act of March 12, 1915, provides that all such moneys shall be paid into the General Insurance Fund. Companies bear examination expenses. Publication fee, \$20. Fee for filing articles of incorporation, to Secretary of State, 10 cents per \$1,000 of capital; minimum, \$25; for increase of capital, 10 cents per \$1,000; minimum, \$10. Fee for issuing agent's license, \$1. Broker pays \$15 quarterly for license to collector of county in which he is located.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not specifically required by law, but called for by State Controller.

GENERAL PENALTY—Sec. 18. "Any officer, agent or employee of any insurance company or other person violating any of the provisions of this act (an act to license and regulate insurance business in this State—February 23, 1881), shall, on conviction thereof, be fined not less than \$50, nor more than \$300, and in default of payment of such fine shall be imprisoned in the county jail not less than ten days nor more than three months, except as otherwise specially provided in this act, and the Controller is authorized and directed to cause proceedings to be instituted in the name of the State of Nevada, in any court of competent jurisdiction, to enforce the provisions of this act."

IMPAIRMENT—None permitted. License to be refused or revoked. Assessments may be levied upon stockholders to make good impairment. Penalty for doing business after notification to repair capital while company is unlicensed, fine of \$500 for each offense, or imprisonment for not exceeding six months or until fine is paid.

INVESTMENTS PRESCRIBED—Domestic companies may invest their capital in bonds of Nevada or of the United States, or in bonds and mortgages

on unencumbered real estate, the market value of which shall be at least double the amount loaned thereon, or in bonds of any city, county or school district in Nevada, duly authorized by law, or in bonds of any railroad, wagon road, ditch or canal corporation, provided that such bonds shall at no time be estimated as assets at more than their actual cash market value. Nothing in this act shall be construed to permit any company investing in mining stock. Domestic companies are not allowed to loan any of their funds to stockholders, nor shall any stockholder be interested in any way in loan, pledge, security or property of any insurance company organized under the laws of Nevada, except as stockholder in said company. No domestic company shall hold or purchase real estate, except for the accommodation of its business. All other real estate acquired in satisfaction of debts legitimately contracted shall be sold or disposed of within five years after the title has been perfected in such company, but time of sale may be extended by the State Controller for sufficient cause.

LICENSED BROKERS—Law of 1881, Sec. 15. "Any person who solicits insurance, receives an application or order to write, renew or procure any policy, collect any premium, or who attempts as middleman to place any fire insurance in this State, when such person holds no authority as agent from any insurance company or general agent of such company, shall be deemed an insurance broker, and shall pay to the county where such business is conducted or attempted, in advance, a quarterly license of \$15. * * *." Penalty for violation, fine of \$25 to \$50 for each offense.

LIMIT ON A SINGLE RISK—None.

LLOYDS—Law of 1881, Sec. 17. "The provisions of this act, under either term or designation of company, corporation, association, firm or individual in either case, or where either term or designation is used, shall apply to any insurer, company, corporation, association, firm or individual engaged as insurers, or who may hereafter engage as insurers in this State, or who may engage in offering or affording indemnity against the casualties of fire or life."

MISCELLANEOUS—The Insurance Commissioner may revoke or suspend the license of any insurance company that fails to settle any valid claim within sixty days after final judgment and notice thereof filed with Insurance Commissioner. Sec. 7, of the laws of 1915. "When 25 per cent of the taxpayers of any city or town in the State desire a survey of water-works and fire appliances of the town or city, with a view of asking for a reduction of fire insurance rates, the Insurance Commissioner shall deputize some suitable person to make such survey and file a full report in his office, said report to be placed with the San Francisco Board of Underwriters, before which board the State Insurance Commissioner or deputy shall appear to argue a reduction of insurance rates, should said report warrant it. All the expense of such proceedings shall be borne by the town or city upon whose behalf the proceedings are had, and shall be deposited with the Insurance Commissioner before action is taken. The

compensation allowed such deputy while actually in the employ of the State shall be five dollars per diem and actual expenses while traveling. When insured property is totally destroyed, and amount of appraised or agreed loss is less than amount of insurance thereon, the insurance company shall return to the insured the unearned premium for the excess of insurance over loss.

MUTUAL COMPANIES—Law of 1897, Sec. 1. "Any number of persons, not less than ten, who shall be residents and householders in the county in which such company is formed, may associate themselves together and form an incorporated company for the purpose of mutual insurance of the property of its members against loss by fire; which property to be insured shall belong to members of the company and embrace dwelling houses, barns, accompanying out-buildings and their contents, creameries, farm implements, hay, grain, wool and other products, live stock, wagons, buggies, carriages, harness, household goods, wearing apparel, provisions, musical instruments, furniture and libraries being upon farms as farm property, or in dwellings, or in accompanying out-buildings." There must be at least twenty-five subscribers for at least \$50,000 of insurance.

PRELIMINARY DOCUMENTS—Company must file with the Controller a certificate showing that it has a paid-up capital of \$200,000; also copy of latest annual statement. Certified copy of charter may also be required. Certificate of compliance with laws of company's home State required annually in January. Certified copy of charter or articles of incorporation to be filed with Secretary of State, and a copy of same, certified by the Secretary of State of Nevada, is to be filed with the County Clerk of the county where company's principal office in Nevada is located. Penalty for non-compliance, \$500.

PUBLICATION—Annual statements are required to be filed with Controller and published in a Nevada newspaper for one week in a daily newspaper, or two weeks in a semi-weekly or tri-weekly newspaper, or four weeks in a weekly newspaper, not later than the month of March, copies to be filed with the several Assessors of the counties in which the company is doing business. Advertising charge, \$20. Penalty for non-compliance, \$100 for each month published statement remains unfilled with Assessors.

RECIPROCAL LAW—None.

REINSURANCE—Law of March 6, 1901, Sec. 2. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State." Sec. 3. "No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State, any risk or liability or any part thereof assumed by it, under any form or contract of insurance, covering property located in this State, including any risk or liability under any general or floating policy, or any agreement,

general, floating or specific, to reinsure excess loss by one or more fires."

Sec. 4. "No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Sec. 5. "At the time of the filing of the annual statement of every insurance company or association doing business in this State, with the State Controller, there shall be attached thereto the affidavit of the president, manager or chief executive officer in the United States that this act has not been violated." Penalty for violation or non-compliance, \$500 for each offense.

REINSURANCE RESERVE—Company must maintain a reinsurance reserve equal to fifty per cent of the premiums on risks having less than one year to run, and pro rata on all risks of more than one year.

RESIDENT AGENTS—Law of March 6, 1901, Sec. 1. "It shall be unlawful for any insurance company or association, doing business in the State of Nevada, to write, place, or cause to be written or placed, any policy or contract for indemnity for insurance on property situated or located in the State of Nevada, except through or by the duly authorized agent or agents of such insurance company or association residing or doing business in this State; provided, that this act shall not apply to direct insurance covering rolling stock of railroad corporations or property in transit while in the possession and custody of railroad corporations or other common carriers." Penalty for violation, \$500 for each offense.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—No provision.

TAXES—No provision.

TAX STATEMENTS—Copies of the published annual statement must be filed annually with the several assessors of the State of Nevada, under a penalty of \$100 for each month the statement remains unfiled.

VALUED POLICY—A valued policy law was passed in 1901 over the Governor's veto, but was declared invalid by the Supreme Court.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

CARSON—For each company, \$6 per annum, payable quarterly.

RENO—For each agent, \$7.50 per quarter, payable quarterly, January, April, July, October.

SPARKS—For each agent, \$5 per quarter, payable quarterly.

NEW HAMPSHIRE.

STATE REQUIREMENTS.

AGENTS DEFINED—An agent is defined as “an acknowledged agent or any person, partnership, association, or corporation, who shall in any manner aid in transacting the insurance business of any company authorized to transact business in this State by negotiating for or placing risks or delivering policies or collecting premiums.

AGENTS' LICENSES—Laws of 1913 provide that the insurance commissioner, on written notice from company of its appointment of a person to act as its agent, may issue a license if he is satisfied as to the intentions, integrity and character of the licensee. He may revoke same on sufficient evidence of unsuitableness of same. One license is sufficient for a partnership or corporate agency (except under retaliatory law). Solicitors must be licensed separately. License fee for foreign company, \$2.

ANNUAL STATEMENTS—Must be filed on or before February 1. For cause the Commissioner may extend time to a date not later than March 1. These and tax statements are only ones required yearly.

ANTI-COINSURANCE—No law prohibiting the use of coinsurance clauses. By a ruling of the Attorney-General, in 1912, they are not allowed to be used in policies on buildings.

ANTI-COMPACT—Public Statutes, Chap, 169, Sec. 10. “If a licensed foreign insurance company shall enter into a contract or combination with other insurance companies for the purpose of controlling the rates to be charged for insurance upon property within the State, or shall make application for the removal of any action brought against it in the courts of this State to the United States courts, the Commissioner shall forthwith revoke its license and those of its agents; and no renewal of the licenses shall be granted until after the expiration of three years from the date of such revocation.”

ANTI-DISCRIMINATION—By a law, approved May 7, 1913, the giving by any company, broker, agent, etc., of any rebate or compensation not mentioned in the regular policy, is strictly prohibited; as is also the receiving of such rebate by the insured. Violation renders the offender liable to a fine of \$100 for each offense or imprisonment of not more than six months. Credits exceeding sixty days are ruled to be in violation of law.

ATTORNEY—The Insurance Commissioner must be authorized to accept service of legal process.

CANCELLATION OF POLICY—Policies may be canceled at short rates by insured, or pro rata, on ten days' notice by the company.

CAPITAL REQUIRED—Stock companies organized outside of the State must have at least \$200,000 of paid-up capital.

COMMISSIONS TO NON-RESIDENTS—Broker's license is necessary for a person negotiating or placing insurance with a domestic company or an

agent for a foreign or domestic company, in the State. See "Licensed Brokers."

DEPOSIT—None required. A ruling of the Insurance Department requires foreign company to have \$200,000 deposited in one of the United States.

DOMESTIC COMPANIES—No insurance companies can be incorporated under the General Laws; charter must be secured direct from the Legislature. Newly chartered domestic companies must be licensed by the Insurance Commissioner before transacting any business. All companies are under supervision of the Insurance Department. Members of mutual companies are not liable beyond the amount of their deposit notes. A domestic company must be examined on the written request of five or more policyholders.

EXAMINATIONS—Chap. 168, Sec. 16. "The Commissioner shall make a personal examination of the affairs of a domestic insurance company whenever thereto requested, in writing, by five or more policyholders of the company, setting forth probable grounds for a belief that the company is insolvent or that there is gross waste, misconduct, or negligence in the management of its affairs." Chap. 167, Sec. 10. "The Commissioner is authorized to examine into the condition and affairs of any domestic or foreign insurance company doing business, or proposing to do business, in the State, or to cause such examination to be made by some person not interested in the company, appointed by him, and to examine into the business transacted by any agent of the company in the State. He may require the company or agent to produce all books and papers and to answer in writing, under oath, all reasonable questions relating to the company or to the agency."

FEES—Filing certified copy of charter and by-laws, \$25; filing statement with application and each annual statement, \$15; certificates of authority to companies, and annual renewals, \$5; agents' license or certificate of authority and annual renewals, \$2; each service of process, \$2; for copies of records on file, per page, 10 cents; for certificates, each \$1; for brokers' license to transact business with unauthorized companies, \$2; for brokers' license to transact business through licensed companies, \$10. See "Reciprocal Law." Fees are payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—Governed by reciprocal provision.

FIRE MARSHAL—Public Statutes, Chap. 115, Sec. 21, provides for the investigation of all fires by municipal authorities.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

GENERAL PENALTY—Chap. 168, Sec. 18. "If any insurance company, domestic or foreign, or any officer or agent of any insurance company, shall violate any law of the State in relation to insurance for which no other penalty is specially prescribed, such company, officer, or agent shall be fined not exceeding \$2000 for each offense."

IMPAIRMENT—No permissible limit is fixed. If the Commissioner considers a company to be in unsound condition, he may revoke its, and its agents',

licenses, by giving written notice and by publication; and in case it is a domestic company, may take steps looking to forfeiture of its charter.

INVESTMENTS PRESCRIBED—Capital of stock companies must be invested in securities readily convertible into cash, one-half at least of which are not loans secured by real estate. Chap. 87, Laws of 1911, Sec. 1, amended 1913 to read: "No insurance company organized under the laws of this State shall invest its funds in or loan them on its own stock. No such company shall invest or loan any portion of its capital stock or more than thirty per cent of its surplus in or upon the security of the stock of any other company carrying on the same kind of insurance business. No such company shall invest or loan any portion of its capital stock in or upon the security of the stock of any other company owning or holding the stock of any insurance company or companies carrying on the same kind of insurance business, to an amount in excess of 10 per cent of its outstanding capital stock." Stock so held must be sold and disposed of within one year from the date this act takes effect. Time may be extended by the Insurance Commissioner.

LICENSED BROKERS—Laws 1915, Sec. 1. "The Insurance Commissioner, upon the annual payment of a fee of \$2 for the use of the State, may issue licenses to residents of the State, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State, but which are duly authorized to do business in some State having an Insurance Commissioner. All such licenses shall expire annually on the thirty-first day of March." Sec. 2. "Every such licensee shall on or before the tenth day of each month execute and file with the Insurance Commissioner a statement under oath covering all insurance policies procured by him under his said license during the calendar month next preceding, giving the name of the company issuing each of said policies, the name and residence of the insured and the amount, term and premium of each policy and the kind of property insured thereby, and that he was unable to procure in companies admitted to do business in the State the amount of insurance necessary to protect said property. Provided, that such licensed person shall not offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$100,000, which shall be determined by the Insurance Commissioner, or one which has within the preceding twelve months been in an impaired condition. And no person, unless he shall be so licensed, shall act or aid in any manner in placing fire insurance on property other than his own in this State in any company which is not duly authorized to transact business in this State." Sec. 3. "Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioners, showing the exact amount of such insurance placed for any person, firm or corporation, the gross premium charged thereon, the com-

panies in which the same is placed, the date of the policies and the term thereof, and he shall also file a report in the same detail of all such policies canceled and the gross return premium thereon." Sec. 4. "He shall file with the Insurance Commissioner, in January of each year, a sworn statement of the gross premiums charged for insurance procured or placed, and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December next preceding, and at the time of filing such statement shall pay to the State Treasurer a sum equal to two per cent of such gross premiums less such return premiums reported." Sec. 5. "The Insurance Commissioner shall have authority at all times to investigate any alleged violations of this act and should he find any to exist he shall report the same to the Attorney-General, who shall take proceedings to collect all fees and taxes which may be due from said licensee; and any person violating or failing to comply with any of the provisions of this act shall be liable to pay a fine of not exceeding \$100 for each violation thereof, and shall forfeit his license to do business under this act for a period of one year." The Laws of 1915 provide for the licensing of brokers to deal with authorized companies for which the fee is \$10. A broker's license shall remain in force one year from its date of issue. No fee for this license shall be requested of any agent of a foreign insurance company whose license fees as such agent amount to \$10; should they be less than \$10 he shall pay an amount which will total \$10. Sec. 2. "In addition to issuing licenses giving the full authority to the licensee, as set forth in Sec. 1 of this act, the Insurance Commissioner is authorized, at his discretion, to issue insurance brokers' licenses which limit the authority of the licensee to the extent agreed upon with the applicant and set forth in the license issued to him." Sec. 3. "Companies issuing policies through their agents on application from brokers shall be charged with the broker's knowledge of facts to the same extent as if he were their agent." Sec. 4. "No license under this act shall be required for salaried office clerks of insurance agents covering acts performed within the offices of such agents."

LIMIT OF A SINGLE RISK—None for stock companies. For foreign mutuals, one-tenth of the net assets.

LLOYDS—No expression in the law appears to include a Lloyds or an individual underwriter.

MISCELLANEOUS—Sec. 11. "Any person or persons who feel aggrieved by any rates charged by any fire insurance company doing business in the State may complain to the Insurance Commissioner, who shall hear the parties, and if it appear to him that the rates charged are excessive, he shall fix a reasonable rate, and the rate so fixed shall be binding upon all such companies doing business in the State. If any such insurance company refuses to insure property at the rate fixed by the Insurance Commissioner, it shall be fined \$200 for each offense." Under Chap. 28, Laws of 1911, provision is made for the establishment and maintenance of guaranty sur-

plus and special reserve funds. By a law approved May 7, 1913, Sec. 2, misrepresentation and twisting of any kind is strictly forbidden and is punishable by a fine. See "Anti-Compact." The Commissioner requires an annual fire loss report to be filed before February 1; in case of fire of suspicious character an immediate report is required.

MUTUAL COMPANIES—Chap. 169, Sec. 3, amended 1913. "No such mutual insurance company shall be licensed to do business in the State, unless it shall have \$200,000 of cash assets invested as provided in the preceding section, nor unless its assets equal its outstanding liabilities, including reinsurance, to be estimated as in the case of joint stock insurance companies, and including also the amount of its guarantee capital." "Provided, that such a mutual company, if authorized to transact the business of fire insurance only, may be licensed if it possesses a surplus of not less than seventy-five thousand dollars (\$75,000), with also invested assets of not less than one hundred and fifty thousand dollars (\$150,000), with additional contingent assets of not less than one hundred and fifty thousand dollars (\$150,000); or if it possesses a surplus equal to its total liability, with also invested assets of not less than one hundred thousand dollars (\$100,000), which surplus shall be well invested and immediately available for the payment of losses in this State." The above section applies to outside mutual companies. See also "Domestic Companies."

PRELIMINARY DOCUMENTS—Company must file certified copy of its charter and by-laws and verified statement. Certificate of compliance with laws of company's home State not required annually. Charter, by-laws and power of attorney need be filed but once.

PUBLICATION—No provision.

RECIPROCAL LAW—Chap. 131, Laws 1911, Sec. 1. "In all cases in which the laws of any other State of the United States now require and may hereafter require that the insurance companies incorporated by the laws of other States shall deposit with some officer of the State in which such insurance company is incorporated stocks or other securities in trust or for the benefit of policyholders of such companies as a condition for doing business in such other States, the State Treasurer shall receive from any insurance company incorporated under the laws of this State stocks or other securities, in such amount as may be required by the laws of such other State or States, on deposit in trust for the benefit of the policyholders of such company." Chap. 54, Laws of 1891, Sec. 1. "If any State shall by its laws deny any insurance company or citizen of this State any rights or privileges which are granted to insurance companies and citizens of that State, then this State shall in like manner deny to insurance companies and citizens of that State all such rights and privileges, and they shall be subject to all the restrictions and penalties as prescribed by that State to insurance companies and citizens of this State; and if by the laws of any State the Insurance Commissioner or other official shall have power to revoke the license of any company of this State or foreign State for

writing insurance upon any person or property of that State, other than through or by a citizen of that State, then the Insurance Commissioner of this State is empowered to revoke the license of any insurance company of that State or any foreign insurance company licensed to do business in this State, that shall write for or through any agent of that State, directly or indirectly, upon any person or property of this State, except the same be written through a duly authorized agent, who shall be a citizen of this State." A law of 1909 provides that if by the laws of any other State, agents, brokers or companies of New Hampshire are prohibited from receiving commissions on policies of fire or casualty insurance written for them by agents or companies doing business in that State on persons or property residing or located therein, the agents, brokers or companies resident in that State shall not be paid any commission, brokerage or other compensation upon any policy written by them, by agents or companies doing business in New Hampshire.

REINSURANCE—Chap. 180, Laws of 1911. "No insurance company or surety company not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written, or placed, any policy or contract of insurance or suretyship effective in this State except by an agent who is a resident of this State, regularly commissioned and licensed to transact business herein, and no such company shall by its officers, agents, or managers, not residents of this State, write policies or contracts of insurance or suretyship effective within this State upon blanks previously countersigned by an agent in this State. Life insurance companies and mutual companies writing all policies at their home office are excepted." Sec. 2. "No such fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State in any other company or association not authorized to transact business in this State. No such fire insurance company or association shall reinsure, or assume as a reinsurance company, or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State, and the policy of reinsurance shall in all cases be written by a duly authorized agent residing in this State." Does not apply to insurance upon property or liabilities of railroad or transportation companies.

REINSURANCE RESERVE—Fifty per cent of premiums on unexpired fire risks running one year or less from date of policy, a pro rata amount of all premiums on unexpired risks running more than one year and one hundred per cent of premiums on unexpired marine risks.

RESIDENT AGENTS—Agents of other State and foreign companies must be residents of the State. See under "Reciprocal Law," Chap. 54 and law of 1909; also under "Reinsurance." (The resident agent requirement does not apply to insurance upon property or liabilities of railroads or transportation companies.)

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—A standard form of policy is prescribed, which may be changed by the Insurance Commissioner. Chapter 170 of the Public Statutes is required to be printed in every policy contract. It provides, among other things, that descriptions of property and statements concerning value and title are not warranties; that a mistake or misrepresentation, unless fraudulent, does not void a policy unless the difference between the facts and the representations contributed to the loss, when the amount payable is reduced proportionately as the premium paid is to that which should have been paid; that company is chargeable with agent's knowledge; that charge or breach of condition shall not affect policy except during continuance; that the sum insured shall be taken to be the value of the insured's interest in buildings totally destroyed, unless over-insurance was fraudulently obtained; requires notice of fire within thirty days, and adjustment within fifteen days after notice and rebuilding to begin within twenty days after adjustment, if the company elects to repair or rebuild; provides that suit may be begun within six months after notice of fire, etc.

TAXES—Chap. 169, Sec. 14. "Every such fire, marine, * * insurance company shall pay to the State Treasurer, within one month after receiving notice from the Insurance Commissioner of the amount thereof, a tax of two per cent upon the gross premiums received by it, less return premiums and re-insurance, when effected in authorized companies by the companies' licensed resident agents or in companies organized under the laws of this State, upon business done within the State, during the year ending on the thirty-first day of the preceding December, as assessed by the Commissioner. * * * See "Reciprocal Law." Mill mutuals pay 2 per cent on deposit premiums, less dividends.

TAX STATEMENTS—Must be filed by February 1 on special tax blanks furnished by the Insurance Commissioner.

VALUED POLICY—Public Statutes, Chap. 170, Sec. 5. "If insured buildings are totally destroyed, the sum insured shall be taken to be the value of the insured's interest therein, as such interest is described in the policy, unless over-insurance thereon was fraudulently obtained; if they are only partially destroyed, the insured shall be entitled to his actual damages, not exceeding the sum insured." The standard policy contains the following clause: "This company shall not be liable beyond the actual value of the insured property at the time any loss or damage happens, except on buildings totally destroyed, in which case the full amount of the limitation shall be paid." Penalty for neglect to pay final judgment, suspension of license until payment is made.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

NEW JERSEY.

STATE REQUIREMENTS.

AGENTS DEFINED—No definition.

AGENTS' LICENSES—Chap. 134, Laws of 1902, Sec. 63. "No officer or agent of any insurance company of another State or foreign country shall make, or procure to be made, or act or aid in any manner in the negotiation of any insurance with such company until he shall procure from the Commissioner of Banking and Insurance a certificate of authority so to do, which shall state in substance that the company is authorized to do business in this State, and that the person named therein is the constituted agent of the company for the transaction of such business. Upon receipt of a certificate by such company of its appointment of a suitable person to act as its agent in this State, said Commissioner shall, if the facts warrant it, grant such certificate, which shall continue in force until the first day of March next after its issue, and by the renewal thereof before the first day of March of each year, until revoked by said Commissioner for non-compliance with the laws, or until the appointment of such agent is revoked by written notice from the company to that effect, filed with the Commissioner of Banking and Insurance." Applications for licenses must be signed by company officers, or other representative authorized to appoint agents, and should be filed before expiration of old licenses. But one license is required for a firm or corporation, subject to reciprocal provision. Fee must accompany application. Chap. 278, Laws of 1911, as amended by Chap. 18, Laws of 1912: "1. Hereafter every fire insurance company doing business in this State and each agent thereof shall file with the Commissioner of Banking and Insurance within fifteen days after the 30th day of June and the 31st day of December of each year, a sworn statement, on blanks furnished by said Commissioner, setting forth the names and addresses of all brokers who have done business through said companies or agents during the preceding six months."

ANNUAL STATEMENTS—Must be filed in January, showing condition as of December 31 preceding. Time may be extended for good cause by the Commissioner. Statement of company of foreign country to embrace only condition and business in United States. Penalty for failing to file statement within time specified, \$100 for each day's neglect, and company may be notified to cease doing new business while in default. These and tax statements are only ones required annually.

ANTI-COINSURANCE—Chap. 134, Laws of 1902, Sec. 78. "No fire insurance company doing business in this State may issue any policy or contract of insurance covering property in this State which shall contain any clause or provision requiring the assured to take out or maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured shall be liable as coinsurer with the com-

pany issuing the policy for any part of the loss or damage which may be caused by fire or lightning to the property described in such policy, and any such clause or provision shall be null and void and of no effect, provided, that it may be optional with the assured to accept a policy or contract of insurance containing a coinsurance clause or provision when a reduction in the rate for insurance on the property described in such policy is the consideration named in such clause, and when so accepted the coinsurance clause or provision shall be binding on the assured." Under law of April 21, 1909, the "Standard Average or Pro Rata Distribution Clause" may be inserted in policies insuring property in more than one place. See "Rate Schedules to be Filed."

ANTI-COMPACT—No provision. (In November, 1909, the Court of Errors and Appeals issued an injunction restraining fire insurance companies and their agents from combining to fix rates, etc., in the territory previously covered by the Newark Fire Insurance Exchange.) See "Rate Schedules to be Filed."

ANTI-REBATE—Chap. 162, Laws of 1912. "1. No insurance company or association of underwriters or Lloyds in doing business in this State, and no officer, agent, solicitor or representative thereof, and no broker negotiating any insurance in this State, shall make any contract of insurance or agreement as to such contract other than as plainly expressed in the policy issued thereon concerning the term of policy and the premium consideration thereof; nor pay, allow or give, or offer to pay, allow or give, directly or indirectly, as inducement to insurance, or after the insurance shall have been effected, any rebate, discount, abatement or reduction of the premium named in the policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy contract of insurance; but commissions or other compensation may be paid to regularly appointed and licensed agents, and to brokers duly licensed by this State." 2. "Neither the insured named in any policy of insurance, nor any employee of such insured, shall knowingly receive or accept, directly or indirectly, any such rebate, discount, abatement or reduction of the premium payable on any policy of insurance, as therein expressed, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy contract of insurance." 3. "Nothing in this act shall be construed as prohibiting the performance of any contract heretofore or hereafter made, for the introduction of automatic sprinklers for reducing the risk by fire on any property located in this State, and containing provisions for obtaining or guaranteeing insurance against loss or damage by fire or water, for a specified time, at a fixed rate." 4. "This supplement shall not apply to any contract of life insurance, nor to any contract of insurance upon or in connection with marine or transportation risks or hazards other than contracts for automobile insurance, nor to contracts of insurance upon property

located without this State, nor to any contract of title or credit insurance, nor to any contract of insurance upon the mutual plan, nor to any contract of insurance issued by any fraternal society." 5. "Whoever violates any provision of this act shall, for each and every offense, forfeit and pay the sum of \$100, such penalty to be sued for and recovered, with costs, in an action on contract in the nature of an action for debt, in any court of competent jurisdiction in the county wherein the offense shall have been committed, or in any county wherein such offender may reside or be served with process by any person who shall sue for the same; one-half of such penalty shall be for the benefit of the person prosecuting the suit, and the other half shall be paid to the State Treasurer, and in case the defendant in any suit shall not pay the amount recovered against him, it shall be lawful for such court in which such judgment has been obtained to issue its process against the body of the defendant and to cause him to be committed to the jail of the county until the judgment and costs are paid; the imprisonment, however, not to exceed thirty days from the date of such commitment. Any insurance agent or broker who violates any provision of this act shall also forfeit his license and be disqualified from acting as an insurance agent or broker for the period of one year thereafter." See "Rate Schedules to be Filed."

ATTORNEY—The Commissioner of Banking and Insurance must be appointed attorney on whom process may be served.

CANCELLATION OF POLICY—Provided for in standard policy; five days' notice to insured is necessary.

CAPITAL REQUIRED—A domestic stock company must have a paid-up capital of at least \$100,000, with \$50,000 for every kind of insurance more than one which it is authorized to transact. Any company of another State or foreign government must possess an unimpaired capital not less than that required of domestic stock companies. See "Deposit."

COMMISSIONS TO NON-RESIDENTS—Sec. 81 is construed as requiring commissions to be paid to resident agents.

DEPOSIT—According to Chap. 134, Laws of 1902, Sec. 8, domestic stock companies are required to deposit \$50,000 in prescribed securities, and after commencing business may be required to make further deposit up to \$100,000. Foreign companies are required to have a deposit of not less than \$200,000 nor less than the capital required of a domestic company transacting the same kinds of business. Such deposit must be made in some State of the United States for the benefit of all policyholders in the United States. There is no specific requirement as to the character of the investments to be deposited by foreign companies.

DOMESTIC COMPANIES—Chap. 134, Laws of 1902, Sec. 1 (as amended by Chap. 87, Laws of 1916). "Ten or more persons may become a corporation for the purpose of making any of the following kinds of insurance, to wit: I, against loss or damage to property by fire, lightning or tempest on land; II, upon vessels, freights, goods, moneys, effects, bot-

tomry and respondentia interests, and every insurance appertaining to or connected with marine and inland risks of transportation and navigation, including insurance against loss or damage to automobiles or other vehicles, whether stationary or beinb operated under their own power, by all or any of the hazards of fire, lightning, tempest, explosion, transportation by land or water, collision, burglary and theft, and against legal liability for damage to property of others resulting from their maintenance and operation; * * * XII, against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers, pumps or other apparatus erected for extinguishing fires, and of water pipes, and against accidental injury to said sprinklers and other apparatus." Certificates of incorporation must set forth name of the company, which shall contain the words "insurance company," and which title must not closely resemble that of an existing corporation; also kind of business to be transacted, location of principal office, which must be within this State, amount of capital, number of shares, par value, and period of duration of the company. Capital must be at least \$100,000, if a stock company, and \$50,000 additional for each kind of business transacted more than one, or \$10,000 in notes if a mutual company. A stock company must deposit \$50,000 with the Commissioner of Banking and Insurance, and after commencing business must make further deposits up to \$100,000, if required by the Commissioner.

EXAMINATIONS—Chap. 134, Laws of 1902, Secs. 56, 62, 72. "The Commissioner of Banking and Insurance shall have the power whenever he deems the same expedient, to make or cause to be made an examination of the assets and liabilities. method of conducting business and all other affairs of every insurance company authorized to transact business in this State, and for the purpose of said examination may employ such person or persons to assist therein or conduct the same, as he may deem advisable, which examination may be conducted in any State or country in which the company examined is incorporated or has an office, agent or place of business. * * * Whenever any insurance company of this State shall become insolvent or shall suspend its ordinary business for want of funds to carry on the same, or whenever the Commissioner of Banking and Insurance shall ascertain, as the result of an examination, as authorized by this Act, or in any other manner, that any such insurance company is exceeding its powers, or violating the law, or that its condition or methods of business are such as to render the continuance of its operations hazardous to the public or to its policyholders; or in the case of any stock insurance company other than a life insurance company, that its assets, after charging it with an amount requisite for the reinsurance of all its outstanding risks and with its other liabilities, including capital stock up to the minimum amount required by this Act, amount to less than such minimum amount of capital stock; or, in the case of any mutual insurance company other than life, if the assets, less unsettled claims and other actual

liabilities amount to less than the sum requisite for reinsurance, * * * said Commissioner may apply by bill of complaint to the Court of Chancery for an injunction to restrain such company from the transaction of further business and from disposing of any of its assets and for the appointment of a receiver to wind up the said company; upon being satisfied of the truth of the allegations in such bill of complaint, the Chancellor may thereupon grant an injunction as prayed for, but permit the directors of the company to continue its business for the purpose of fulfilling the existing obligations of such company, or, in his discretion, may appoint a receiver, * * *

* * * Certificates to foreign company found to be in an unsound condition may be revoked. Expenses must be paid by company examined.

FEES—For certificate of incorporation, 20 cents for each \$1000 of authorized capital stock; in no case to be less than \$25; for certificate of amendment of same, \$20; for all certificates not hereby provided for, \$5; for filing certified copy of charter, \$20; for filing annual statement, \$20; for each certificate of authority to an agent of other than a domestic company, \$2; for each license to an insurance broker, \$10; license to procure insurance in unauthorized companies, \$20; for certificate of qualification of company, \$1; for service of legal process, \$2; for each copy of any paper filed with the Commissioner, 8 cents a sheet; for certifying same, \$1. Fees payable to Commissioner of Banking and Insurance. See "Reciprocal Law."

FIRE DEPARTMENT TAX—Chap. 240, Laws 1885, Sec. 1. "Each fire insurance company not organized under the laws of this State shall, on the first day of January and of July of each year, cause to be made to the treasurer of the duly incorporated firemen's relief association of each city, town or borough, township, or portion of a township, or fire district in which any property may be situated on which such company may have taken an insurance risk, a true return in writing, verified by the oath of an officer of such company, showing the amount of all premiums received by such company during the six months next preceding the respective times above set for making of such returns, for insurance, by said company, against loss or injury by fire, upon property in such city, town, etc.; and such company shall, within one month after the respective times above provided for the making of said returns, pay to said treasurer the sum of \$2 upon each \$100, and at that rate upon the amount of all such premiums received or agreed to be paid as aforesaid within said six months." Penalty for non-compliance, revocation of license. Agents and brokers are also required to make like returns on January 1 and July 1, and to pay a two per cent tax within one month thereafter, which is credited on the company's account. Penalty for neglecting to make returns, or for making false returns, fine of \$500 and revocation of license. [Note.—This tax is not additional to, but a part of the State tax mentioned under "Taxes."]

FIRE MARSHAL—No provision.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required to be filed, except on first application for admission to State.

GENERAL PENALTY—A general penalty of \$500 and costs is imposed for all violations of law except failure to file annual statement.

IMPAIRMENT—The authority of a company of another State or foreign country may be revoked if its assets above its liabilities, exclusive of capital and inclusive of unearned premiums, are less than the required minimum amount of capital or net assets. (See "Examinations.")

INVESTMENTS PRESCRIBED—Chap. 134, Laws of 1902, Sec. 16; amended by Chap. 73, Laws of 1907. "Any insurance company of this State, for the purpose of investing its capital, surplus and other funds, or any part thereof, may purchase or hold as collateral security or otherwise, and sell and convey any bonds or public stock issued or created by the United States, or by this State, or by any of the other States of the United States, or the District of Columbia, or by any of the incorporated cities, counties, townships or other municipal corporations thereof, or bonds authorized to be issued by any commission appointed by the Supreme Court of this State, or invest said capital, surplus and other funds, or any part thereof, in bonds or notes secured by mortgages or trust deeds on unencumbered real estate located within said States, or the District of Columbia, worth at least one-half more than the sum invested or loaned, or lend on or purchase mortgage bonds of railroad companies organized under the laws of said States, or the District of Columbia, or of the Dominion of Canada, or operated wholly or partly in such States or country; or the capital stock, bonds, securities or evidences of indebtedness created by any corporation of the United States or any State." Chap. 61, Laws of 1909. "Any insurance company of this State doing business in any foreign country may invest so much of its funds as are required to meet the obligations incurred in such foreign country and in conformity to the laws thereof, on the same kind of securities issued in such foreign country that such company is by law allowed to invest in this State, and subject to the limitations imposed by law in this State." Domestic companies may acquire real estate sufficient for the accommodation of their business only; that conveyed to them in satisfaction of debts previously contracted, or that purchased at sales upon judgments, decrees or mortgages obtained or made for such debts, must be sold or otherwise conveyed within five years from the date the company acquired title thereto. Time of sale may be extended by the Chancellor for sufficient cause. Foreign companies may acquire real estate in the same manner as domestic companies.

LICENSED BROKERS—Chap. 134, Laws of 1902, Sec. 81, provides that the Commissioner of Banking and Insurance may license any person as a broker to negotiate contracts of fire insurance for others than himself for a compensation, by virtue of which license he may effect insurance with any qualified insurance company of New Jersey, or with agents resident and having a bona fide place of business in New Jersey of any company of another State or foreign country licensed to do business in New Jersey, but with no others. * * * For such license he shall pay a fee of \$10,

authorizing him thus to act until the thirty-first day of December then next, and on payment of a similar fee his license may be renewed from year to year. Special agents may be licensed to deal with unauthorized companies, as follows: Chapter 134, Laws of 1902, Sec. 82, provides that the Commissioner of Banking and Insurance may issue a license to any citizen of the State, revocable at any time, permitting the person named therein to procure fire insurance as agent on property in New Jersey in unauthorized companies, after filing an affidavit with said Commissioner to the effect that after diligent effort the agent has been unable to find insurance in authorized companies to the full amount required on such property. Such licensed person shall not be required to offer any portion of such insurance to companies whose assets are less than \$25,000, or to companies which have, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of such business done under this license, which shall at all times be open to the inspection of said Commissioner, or person employed by him to inspect the same; and to keep an exact account of each transaction, the amount insured, company accepting same, and gross premiums charged thereon, together with the date of policies and the term thereof. It is also necessary to file a bond with the Commissioner of Banking and Insurance in the penal sum of \$3000 for a guarantee that the person so licensed will comply with all the requirements of this act, and will pay to said Commissioner; or where such policies cover risks in any city, town, borough, township or portion of township, or fire district in the State of New Jersey, which now has, or may hereafter have, a duly incorporated firemen's relief association, to the treasurer of such association, in January and July of each year, the sum of \$3 for each \$100 of gross premiums charged under such license during the preceding six months.

LIMIT ON A SINGLE RISK—Ten per cent of net assets. Deductions of reinsurances in authorized companies are allowed, only net risks being considered. Fine for violation, \$500.

LLOYDS—Chap. 204, Laws of 1915, provides for the licensing of inter-insurance partnerships known as Lloyds, whereby each member becomes proportionately liable for all losses, to transact a general fire, marine and sprinkler leakage business. Underwriters must file a sworn statement with the Commissioner of Banking and Insurance setting forth the title assumed; the location of the principal offices; a copy of the power of attorney; copies of the forms of policies to be used; the name and address of all underwriters proposing to engage in the business; an appointment of the Commissioner of Banking and Insurance as attorney for service of legal process; the kinds of insurance to be transacted; that a fund for protection of United States policyholders is in possession of the attorney or some responsible member of the firm invested in prescribed securities to the sum of \$100,000 if the Lloyds are to transact one class of business and \$50,000 for each additional class, such amount to be in

excess of all liabilities. Each underwriter must be worth at least \$20,000 above his liabilities and there must be fifteen underwriters. If the application is satisfactory the Commissioner may issue a license which must be renewed annually. Alien underwriters must deposit \$5000 in cash or prescribed securities, unless an association to which he belongs has \$100,000 deposited with some State in the United States for the protection of United States policyholders, or unless the alien underwriter is one of association of whom nine-tenths are citizens of the United States. Before the issuance of a certificate of authority the Insurance Commissioner may make an examination of the association. All underwriters subsequently admitted to the Lloyds are bound by the same conditions as affected the originals. Information must be furnished the Commissioner of Banking and Insurance on request. No risk shall be carried subject to a loss in excess of 10 per cent of the net cash and invested assets, and of the underwriting liability of the underwriters. They shall be liable to the same tax and fees as apply to fire insurance companies. Persons violating any of the provisions of this act are guilty of a misdemeanor and liable to a fine of not less than \$50 and not more than \$500.

MISCELLANEOUS—False or misleading advertisements are forbidden. Upon failure of appraisers for ten days to choose an umpire, either the insurer or the company may apply to the inferior Court of Common Pleas of the county in which the fire loss to be adjusted occurred, to appoint an umpire. Chap. 340, Laws of 1911, provides that failure of insured to furnish proofs of loss shall not be or considered a waiver of any rights accruing under the policy of insurance unless after said loss sixty days' notice in writing, that said company desires said proofs of loss, be furnished the person so insured. Companies and agents must file, within fifteen days after June 30 and December 31, lists of brokers with whom they have done business in the preceding six months.

MUTUAL COMPANIES—May be organized by not less than ten persons, and begin business with \$10,000 of notes. Other State mutual companies may be admitted if in possession of net cash assets equal to the capital required of a stock company. See "Domestic Companies."

PRELIMINARY DOCUMENTS—Company entering State must file certified copy of charter, verified statement showing that it has at least an amount of capital equal to that required of a domestic company of the same class (above liabilities), appointment of Commissioner of Banking and Insurance as attorney, upon whom process may be served. Certificate of compliance with laws of company's home State must be filed annually in January.

PUBLICATION—Statements not required to be published except under reciprocal provision. (See "Miscellaneous.")

RATE SCHEDULES TO BE FILED—Chap. 85, Laws of 1913. Sec. 1. No corporation, firm, association, individual or aggregation of individuals, hereinafter called "insurer," doing the business of insurance

within this State, shall fix or make any rate or schedule of rates, or charge, demand, collect or receive, directly or indirectly, or through any special rate, tariff, drawback, rebate, concession, device or subterfuge, a rate for insurance which discriminates unfairly between risks within this State of essentially the same hazard; nor shall any insurer against the hazards of fire or legal liability of employers make any such insurance within this State except in accordance with general basis schedules, embodying basis rates, charges, credits, terms, conditions, permits, standards and other data necessary to the computation of equitable rates and rules of practice for such insurance, which general basis schedules, embodying basis rates, charges, credits, terms, conditions, permits, standards and other data used for the determination of rates, shall be filed by such insurer or its agent or expert duly authorized, with the Commissioner of Banking and Insurance within three months after this act goes into effect, or with the amendments to such general basis schedules which may be filed with the Commissioner of Banking and Insurance from time to time thereafter. Any one or more of such insurers, singly or jointly, may employ for the making of such general basis schedules and rates and the filing of the same the services of such experts as it, or they, may deem advisable for such purpose. Every such insurer or agent shall, within ten days after written demand therefor, furnish to any person, upon whose property or risk a rate has been made by said insurer, or to his authorized representative, full information as to such rate, and if such property or risk be rated by schedule applying particularly to each risk, a copy of such schedule, and shall provide such means as may be approved by the Commissioner of Banking and Insurance whereby any person or persons affected by such rate may be heard on an application for a change in such rate. Whenever it is made to appear to the satisfaction of the Commissioner of Banking and Insurance that any such rate or general basis schedule or amendment thereof discriminates unfairly between risks within this State of essentially the same hazard, or that any insurer has made any insurance within this State at any rate not in accordance with the general basis schedule or amendment thereof filed by it, he may, after a full hearing, either before himself or before any salaried employee of the department of banking and insurance, whose report he may adopt, order such discrimination removed, or such rate corrected in accordance with such general basis schedule or amendment thereof; and all such insurers affected thereby shall forthwith comply with such order; nor shall such insurers or any of them remove such discrimination by increasing the rates on any risk or class of risks affected by such order unless it is made to appear to the satisfaction of the Commissioner of Banking and Insurance that such increase is justifiable.

Sec. 2. Any insurer, agent, expert, person or corporation violating any of the provisions of this act shall be subject to a penalty of five hundred dollars for each and every violation, to be sued for and recovered by the Commissioner of Banking and Insurance, or by any citizen of this State and paid to the State Treasurer.

RECIPROCAL LAW—Chap. 134, Laws of 1902, Sec. 66; amended, Chap. 66, Laws of 1904. "When by the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, any taxes, fines, penalties, licenses, fees, deposits of moneys or of securities or other obligations, prohibitions or restrictions additional to, or in excess of, those imposed by the laws of this State upon insurance companies of such other State or foreign country or their agents, are imposed on insurance companies of this State doing business in such other State or foreign country, or upon their agents therein, so long as such laws, rules, regulations, requirements or impositions continue in force, the same excess taxes, fines, penalties, licenses, fees, deposits, obligations, prohibitions and restrictions, of whatever kind, shall be imposed upon all such insurance companies of such other State or foreign country doing business within this State, and upon their agents here; and whenever pursuant to or under authority of the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, or otherwise, the government of any such other State or foreign country, or any department or officer thereof, shall refuse to accept as conclusive the certificate of the Commissioner of Banking and Insurance of this State as to the results of any examination he shall cause to be made of the assets and liabilities, method of conducting business and other affairs of any insurance company of this State, the said Commissioner of Banking and Insurance of this State shall refuse to accept as conclusive any and all similar certificates made in or by, or by any department or officer of, such State or foreign country where the acceptance of the certificate of the Commissioner of Banking and Insurance of this State is refused as aforesaid, concerning any and every insurance company thereof; and if any insurance company of this State shall be refused or denied license, permission, privilege or authority to transact or to continue to transact its business in any other State or foreign country by reason of such refusal of conclusive acceptance of any such certificate of the Commissioner of Banking and Insurance of this State, or if any insurance company of this State authorized to transact its business in this State, after complying with all the laws, rules, regulations, requirements or impositions of any other State or foreign country, or of any department or officer thereof, over and above such as would be met and fulfilled by the conclusive acceptance of such certificate of the Commissioner of Banking and Insurance of this State, shall be refused or denied license, permission, privilege or authority to transact or to continue to transact its business in any such other State or foreign country, then and in every such case every insurance company of every such other State or foreign country where any such insurance company of this State is refused or denied license, permission, privilege and authority to transact or to continue to transact its business as aforesaid, shall be refused and denied license, permission, privilege and authority to transact or to con-

tinue to transact any business in this State, and any license or authority to it or them theretofore given shall be, by the Commission of Banking and Insurance of this State, revoked and annulled; and whenever pursuant to or under authority of the laws of any other State or foreign country, or the rules, regulations, requirements or impositions thereof, or of any department or officer thereof, or otherwise, the government of any such other State or foreign country, or any department or officer thereof, shall refuse or deny license, permission, privilege and authority to any insurance company of this State to transact or to continue to transact its business in such other State or foreign country, if it shall be determined by the Commissioner of Banking and Insurance of this State, whose determination thereupon shall be final and conclusive, that such refusal or denial of license, permission, privilege or authority as last aforesaid, is unreasonable or unfair, then the Commissioner of Banking and Insurance of this State shall refuse or deny license, permission, privilege or authority to transact or to continue to transact any business in this State to each and every such company of every such other State or foreign country where any such insurance company of this State is so refused or denied as last aforesaid, and any license or authority to it or them theretofore given shall be by the Commissioner of Banking and Insurance of this date, revoked and annulled."

REINSURANCE—Reinsurance of risks by admitted companies in those not licensed to do business in the State, while not expressly forbidden by the statutes, is held by the Commissioner of Banking and Insurance to be "clearly violative of the intent and spirit of such laws," i. e., those prohibiting, under penalty, the placing of insurance on New Jersey property in companies not legally qualified to operate in that State.

REINSURANCE RESERVE—Fifty per cent of premiums on risks running one year or less, and pro rata for longer terms.

RESIDENT AGENTS—Chap. 134, Laws of 1902, Sec. 80. "No fire insurance company of another State or foreign country may transact business in this State except through duly constituted and appointed agents resident herein, who shall maintain a bona fide duly operated business office in this State and shall issue and countersign all policies and contracts so issued. This section shall not apply to direct insurance covering the rolling stock of railroad corporations operating between different States or property received for shipment from one State to another while in the possession or custody of railroad corporations or other common carriers."

SEMI-ANNUAL STATEMENTS—See "Fire Department Tax."

STANDARD POLICY—A standard form of policy, similar to that of New York State, is required to be used. Penalty for violation, fine of \$500 for each offense. Size and shape of policy, etc., must be approved by the Commissioner of Banking and Insurance.

TAXES—Chap. 134, Laws of 1902, Sec. 65, as amended by Chap. 224, Laws of 1916, provides that annually on or before the fifteenth day of February in each year, every fire insurance company shall pay to the Commissioner of

Banking and Insurance a tax of two per centum on the gross amount of premiums received by such companies on business in this State for the preceding calendar year, including all premiums received from other companies for reinsurance of them, less return premiums and premiums paid for reinsurance in other companies of other States or foreign countries licensed to do business in this State. Taxes paid to the treasurer of any firemen's relief association or any police pension fund of New Jersey by companies of other States and countries and their agents (under laws of May 2, 1885) are considered a part of this 2 per cent tax. This tax is in lieu of all other franchise taxes. Domestic companies are taxed locally upon the full amount of their capital stock paid in and accumulated surplus, less the assessed value of the real estate owned, which is taxed where situated, and the assessment thereon is deducted from the assessment upon the capital stock and surplus. No premium or other franchise tax is imposed upon such companies. (See "Reciprocal Law" and "Fire Department tax.")

TAX STATEMENTS—Must be filed by February 15. See also "Fire Department Tax."

VALUED POLICY—No requirement.

None.

COUNTY TAXES AND FEES.

MUNICIPAL TAXES AND FEES.

None, except to firemen's relief associations, which is a part of the State tax.

NEWARK—Underwriters Protective Association (Salvage Corps), $2\frac{1}{8}$ per cent on premiums.

NEW MEXICO.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters are required to have same licenses as agents with same fee and same date of expiration.

AGENTS DEFINED—See "Agents' Licenses."

AGENTS' LICENSES—Act of February 9, 1905. Sec. 15. "It shall be unlawful for any person, company or corporation in this State either to procure, receive or forward applications for insurance in or to issue or to deliver policies for any company or companies not having complied with the provisions of this act, or to adjust any loss, or in any manner, either directly or indirectly to aid in the transaction of the business of insurance with any such company, unless duly authorized by such company and licensed by the Corporation Commission, in conformity with the provisions of this act, and any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and, upon conviction thereof, shall for each and every offense, be punished by a fine of \$500 or imprisonment for six months in the county jail, or both, in the discretion of the court." Companies must supply their agents with copies of their certificates of authority, which expire on the last day of February. License required for each member of a firm. Agency corporations are not recognized, and licenses must be secured by individuals who aid such corporations in the transaction of business.

ANNUAL STATEMENTS—Must be filed on or before March 1. Penalty for making false entry or statement, fine not exceeding \$1000 and imprisonment for from two months to five years. Only statements required are those to be filed with State Corporation Commission.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—Compiled Laws, 1897, Sec. 2138. * * * "That they shall not charge any higher rates than those charged on the first day of January, 1897." Penalty for violation, fine of \$100 to \$1000.

ANTI-DISCRIMINATION—No provision

ATTORNEY—The Superintendent of Insurance must be authorized to accept service of process.

CANCELLATION OF POLICY—Provision must be made in policy for cancellation and return of unearned premium.

CAPITAL REQUIRED—Other State companies must have \$200,000 capital. See "Domestic Companies."

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—Compiled Laws, 1897, Sec. 2138. "No fire insurance company shall be permitted to do any business in this State until such company, in addition to other requirements of law, shall deposit with the Treasurer

of this State the sum of not less than \$10,000 in lawful money of the United States, or in bonds of the State of New Mexico, or some county or city thereof, of the par value of \$10,000, in territorial or county bonds, or real estate, which deposit shall be held for the benefit and security of the policyholders residing in the State of New Mexico, with the condition that said deposit shall not be surrendered to such company until all claims in this State shall have been satisfied." Penalty for non-compliance, fine of \$100 to \$1000. Foreign companies must have at least \$200,000 on deposit with the officials of some State or Territory. An underwriters agency must make deposit in the same manner as a company.

DOMESTIC COMPANIES—Chap. 5, Laws of 1905, Sec. 26 (as amended in 1909): "When any number of persons associate themselves for the purpose of forming an insurance company for any other purpose than life insurance or the insurance of titles to real estate, they shall publish a notice of such intention once in each week for four consecutive weeks in some newspaper in the county in which said insurance company is proposed to be located, and they shall also make a certificate under their hand specifying the name assumed by such company and by which it shall be known; the object for which said company shall be formed; the amount of capital stock and the place where the principal office of said company shall be located, which certificate shall be acknowledged before, and certified by some notary public or clerk of the court of record, and forwarded to the Superintendent of Insurance, who shall submit the same to the Attorney-General for examination, and if it shall be found by the Attorney-General to be in accordance with the provisions of this act and not in conflict with the Constitution and laws of the United States and this State he shall make a certificate of the facts and return it to the Superintendent of Insurance, who shall reject the name or title applied for by any company when he shall deem the same too similar to any one already appropriated by any other company or likely to mislead the public." Sec. 28. "No joint stock company shall be incorporated under the provisions of this act with a smaller paid-up cash capital as provided for in this act." No mutual insurance company shall do any business in the State unless possessed of an actual paid-up cash guaranty fund of not less than \$100,000.

EXAMINATIONS—Act of Feb. 9, '05 (amended '09). Sec. 9. "The Superintendent may, with the consent of the Governor whenever he deems it prudent, visit and examine, or cause to be visited and examined by some competent person or persons he may appoint for that purpose, any insurance company applying for admission or already admitted to do business in this State. Such examination shall include a thorough inspection and examination into its affairs, especially as to the financial conditions and ability of said company to fulfill its obligations to the policyholders and whether it has complied with the laws of this State and such company shall pay the proper charges incurred in such examination, including the expenses of the Superintendent or his deputies, and the ex-

penses and compensation of his assistants employed therein. * * * The Superintendent may also make an examination with the consent of the Governor, of any such company, upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor in writing that such company is in an unsound or insolvent condition: Provided, That only the United States branches of all foreign companies in this State may be examined by said Superintendent." Penalty for refusing information, fine not exceeding \$500 or imprisonment not exceeding three months.

FEES—Act of Feb. 9, '05 (amended '09). Sec. 11. "There shall be paid by every insurance company doing business in this State, to the Corporation Commission the following fees, viz.: For filing the certified copy of articles of incorporation required by this act of the organization of each company, \$50; for filing power of attorney and statement preliminary to admission, \$50; for filing copy of its charter or deed of settlement and examination thereof, \$50; for filing annual statements, \$20; for certificate of authority to transact business in this State, \$2; for each copy of certificate of authority for use of agents, \$2; for each copy of any paper filed in his office, 20 cents; for affixing the seal of his office and certifying any paper, \$1." The Superintendent also receives \$2 for each copy of process. See "Publication." See "Reciprocal Law."

FIRE DEPARTMENT TAX—The fire department tax law of 1897 was repealed, and Sec. 13 of act of February 9, 1905, provided "that the treasurer shall annually on the first day of August each year, pay to the treasurer of the fire departments of every city, town or village in this State a sum of money equal to the amount received by such fire department under Sec. 2132 of the compiled laws of 1897 during the year 1904." A law passed in 1907 provided that fire companies that had been organized in cities since 1904 should thereafter share in the insurance fund with departments previously organized. We are advised by the State Corporation Commission that the Supreme Court has decided that the insurance fund is not abolished. The present plan is as follows: The "New Mexico Association of Firemen" receives \$2000 on August 1 (instead of ten per cent of receipts of the Insurance Department). The following-named cities and towns receive on August 1 the respective sums named instead of the sums heretofore paid: Carlsbad, \$600; Roswell, \$1200; Springer, \$500; Santa Fe, \$1200; Las Vegas, \$800; East Las Vegas, \$800; Alamogordo, \$600; Albuquerque, \$2250; Silver City, \$700; Deming, \$700; Socorro, \$500, Las Cruces, \$700; Tucumcari, \$500; Raton, \$1200; Clayton, \$500; Artesia, \$500; Gallup, \$500; Clovis, \$300; Hagerman, \$300; Portales, \$300; Chama, \$300. A Law of 1915 provides for the payment by the Treasurer of the State of New Mexico to the treasurers of the fire departments in the cities listed the sum of money stated, such money to be collected from the fire companies and used solely for the

an amount equal to the amount of such charges and payments imposed upon, or required by, the laws of such State or Territory, of the companies of this State or the agents thereof."

REINSURANCE—No express prohibition of reinsurance in unlicensed companies, but authorized companies are forbidden to reinsure New Mexico risks of unauthorized companies. Reinsurances must be reported. See "Resident Agents."

REINSURANCE RESERVE—Fifty per cent of premiums on unexpired risks under one year, and pro rata on all risks having more than one year to run.

RESIDENT AGENTS—Act of February 9, 1905, amended 1913, to read: "It shall be unlawful for any foreign insurance company to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against any contingency which may be insured or guaranteed against, unless the same shall be made, written or placed through its duly and regularly appointed and authorized agent or agents, residents of this State. It shall be unlawful for any insurance company authorized to do business in New Mexico, its representative, manager, general agent, special agent, local agent, broker or solicitor, to pay or promise to pay, either directly or indirectly, any fee, brokerage or other emolument of any nature to any person, firm or corporation not a resident of the State of New Mexico, for the obtaining, placing or writing of any policy or policies of insurance covering property in New Mexico." Penalty for violation, suspension for not less than one year, renewed on written pledge from directors of future observance. Reinsurance policies need not be countersigned by a resident agent.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No requirement.

TAXES—Act of Feb. 9, '05 (amended '09). Sec. 11. " * * * All insurance companies, partnerships or associations engaged in the transaction of the business of insurance in this State shall annually on or before the first day of February in each year, pay to the Superintendent of Insurance two per centum on the gross amount of premiums received, less returned premiums, within this State during the year ending the previous 31st day of December; and insurance companies shall be subject to no other taxation than herein provided, except upon real estate."

TAX STATEMENTS—Must be filed on or before February 1.

VALUED POLICY—No provision.

MUNICIPAL TAXES AND FEES,

ALBUQUERQUE—For each company, \$11, payable upon commencing business.

OTERO—For each agent, \$12, payable quarterly, semi-annually or annually.

RATON—For each agent, \$11 annually, payable on commencing business.

ROSWELL—For each company, \$10, payable annually or quarterly.

SANTA FE—For each agent, \$6 for first six companies; after, \$1 per company.

SILVER CITY—For each agent, \$3, payable quarterly.

TUCUMCARI—For each agent, \$10, payable annually or quarterly.

NEW YORK.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters of fire losses are required to obtain license for same, the cost of which is \$25 for an individual. If a firm or corporation, \$25 for each member of firm or officer of corporation actively engaged in the business. Adjusters' certificates of authority expire on the 31st day of December of the calendar year for which the same has been issued, and if an application for the renewal of any such certificate shall have been filed with the Superintendent of Insurance before January 1 of any year, the certificate of authority sought to be renewed shall continue in full force and effect until the issuance by the Superintendent of Insurance of the new certificate applied for or until five days after the Superintendent of Insurance shall have refused to issue such new certificate and shall have served notice of such refusal on the application therefor. (N. Y. Ins. Law, Sec. 138a.)

AGENTS DEFINED—Ins. Law, Sec. 142, as amended by Laws of 1914. (In effect July 1): "The term 'agent' in this section shall include an acknowledged agent or any person, partnership, association or corporation, who shall in any manner aid in transacting the insurance business of any underwriter, incorporated or unincorporated, by negotiating for or placing risks or delivering policies or collecting premiums, but shall not include the officers and salaried employees of any such underwriter who do not receive commissions. Every underwriter, incorporated or unincorporated, engaged in the transaction of any business of insurance within this State, upon the employment or termination of the employment of any person, partnership, association or corporation to act as its agent within this State, shall certify such fact, together with the name and address of such agent, to the superintendent of insurance; and shall also annually, during the month of January, in such form as the superintendent of insurance shall prescribe, file with him a list of the names and addresses of all its agents authorized to act as such within the State. No person, partnership, association or corporation, shall as agent act for any such underwriter in this State unless such underwriter shall have fully complied with the provisions of this chapter, nor unless such agent shall have procured an agent's certificate of authority from the superintendent of insurance. The superintendent of insurance shall file in his office evidence of the issuance of every such certificate to an agent, together with evidence of such agent's authority from each underwriter for whom he is to act. An agent's certificate of authority shall be issued only upon application filed with the superintendent of insurance, in such form as the superintendent of insurance shall prescribe. Every such certificate shall expire on the thirty-first day of December of the calendar year in which the same shall have been issued, but if the application for the renewal of any such certificate shall have been filed with the

superintendent of insurance before January first of any year, such agent may continue to act as such under such expired certificate until the issuance to him by the superintendent of insurance of a new certificate or until five days after the superintendent of insurance shall have refused to renew such certificate and shall have served notice of such refusal on such agent." Penalty for violation of any provision of this section, revocation or refusal of license and a fine of \$500. Insurance agents and brokers may receive commissions on risks placed on own property.

AGENTS' LICENSES—See "Agents Defined."

ANNUAL STATEMENTS—Must be filed by February 15, showing condition as of December 31 preceding. Penalty for failure to make annual statement as required, \$500, and \$500 for each month the company remains in default and continues to transact business. For making deceptive statements, \$500 for first, and \$1000 for each subsequent offense. In 1908, the Insurance Department began requiring brief quarterly statements from domestic companies and United States branches of foreign companies. Capital statements are required to be filed in January for foreign companies. The Superintendent of Insurance is authorized by Sec. 46 to include in his reports companies' statements as audited and corrected by him.

ANTI-COINSURANCE—No statute prohibiting use of coinsurance clauses.

ANTI-COMPACT—No provision.

ANTI-DISCRIMINATION—No company or representative thereof may make any contract in respect to insurance other than that expressed in the policy nor allow a rebate from the premium nor give anything of value as an inducement to insurance except that articles of merchandise, not exceeding one dollar in value and containing advertising matter, may be distributed.

ATTORNEY—The Superintendent of Insurance must be appointed attorney to accept service of legal process for foreign corporations.

BROKERS' LICENSES—Sec. 143, Laws 1913. No underwriter, corporation, etc., shall pay any commission to any person not a duly authorized agent unless said person has a certificate of authority as a broker. Nor shall anyone act as a broker without first procuring such certificate. "The superintendent of insurance shall issue such broker's certificate of authority to a person, partnership, association or corporation, applying therefor, who is trustworthy and is competent to transact an insurance brokerage business in such manner as to safeguard the interests of the insured." Each member of a partnership or officer of a corporation acting as a broker must be qualified and must pay the fee required. No license issued until a written application has been filed. No person shall act as a broker without securing a certificate of authority, which must be renewed annually and expires December 31, unless an application for renewal has been filed. Agents' or brokers' certificates may be revoked for at least one year for violation of the Insurance Law or for fraudulent practices, and any violation of this law is also punishable by a fine of \$500. See "Agents

Defined." The term "broker" is defined as including any person, partnership, association or corporation who for money, commission or anything of value acts or aids in any manner on behalf of the insured in negotiating contracts of insurance or placing risks or taking out insurances, including surety bonds. A broker may be authorized to act as agent for an underwriter for the collection of premiums.

CANCELLATION OF POLICY—Ins. Law, Sec. 122. "Any corporation, person, company or association transacting the business of fire insurance in this State shall cancel any policy of insurance upon the request of the insured or his legal representatives, and shall return to him or to such representative the amount of premium paid, less the customary short-rate premium for the expired time of the full term of which the policy has been issued or renewed, notwithstanding anything in the policy to the contrary. Where the laws of any State permit corporations organized under its laws to cancel policies of insurance upon different terms than herein set forth, corporations organized under the laws of this State may cancel policies upon risks in any such State upon the same terms as are provided for corporations organized under its laws."

CAPITAL REQUIRED—Companies must have at least \$200,000 of paid-up capital. Under the provisions of Sec. 12 of the Insurance Law, no company can be organized under the laws of New York State for the transaction of fire or marine insurance with a smaller capital than \$200,000, the same to be paid in in cash; and a new company must have an initial surplus equal to at least fifty per cent of its capital stock. Insurance Law, Sec. 27. "A foreign insurance corporation incorporated by or existing under the government or laws of any country outside of the United States, and admitted to do business in this State, shall not transact any business of insurance in this State, unless it shall have within the United States, deposited with Insurance Departments or held in trust as hereinafter provided, not less than \$500,000, if a fire insurance corporation, and not less than \$200,000 if a life or casualty insurance corporation, invested in like manner as the capital of a similar domestic insurance corporation is required to be invested * * *." Capital statements must be filed annually in January.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—Foreign companies of other countries transacting fire or marine insurance must deposit \$200,000 with the New York Insurance Department in securities of the following classes: Ins. Law, Sec. 13. "Every deposit made with the Superintendent of Insurance by any domestic or foreign insurance corporation, shall be in the stocks or bonds of the United States or of this State, or in the bonds of a county or incorporated city in this State, authorized to be issued by the legislature, not estimated above their par or their current market value. Such deposit may be made by an insurance corporation incorporated under the laws of another State of the United States in the stocks or bonds of such State or in the bonds of a county or incorporated city therein authorized to be

issued by the legislature, not estimated above their par or their current market value; provided that similar domestic insurance corporations doing business in such State are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such State like securities of this State. Such deposit may be made by an insurance corporation incorporated under the laws of a country outside of the United States authorized to do business in this State in the stocks or bonds of such country or of any province or city therein, or, if any securities other than those above named are offered as a deposit, they may be accepted at such valuation and on such conditions as the Superintendent of Insurance may direct, provided that similar domestic insurance corporations doing business in such country outside of the United States are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such country the stocks or bonds of the United States, the stocks or bonds of this State or of any county or incorporated city in this State and securities of the same general character as those which are offered for deposit in the Insurance Department; and provided, further, that if any country makes a deduction from the value of the securities deposited by similar domestic corporations, a similar deduction shall be made from the securities deposited in the Insurance Department by corporations incorporated under the laws of such country. If the market value of any of the securities which have been deposited by any company shall decline below that at which they were deposited, the Superintendent of Insurance shall call upon the company to make a further deposit, so that the market value of all securities deposited by any such company shall be equal to the amount which it is required to deposit." Sec. 27 provides that in addition to the \$200,000 required to be deposited with the Insurance Department, a company of another country must have at least \$300,000 additional deposited with Insurance Departments or trustees within the United States.

Sec. 28. "* * * A foreign insurance corporation incorporated by or existing under the government or laws of any country outside of the United States, authorized to transact the business of fire insurance in this State, may be authorized to transact the business of ocean marine insurance, provided it makes an additional deposit with the Superintendent of Insurance of \$200,000 in deposit securities, and files with the Insurance Department annually a separate financial statement for each class of business." Sec. 26 operates as a reciprocal provision against companies located in States requiring deposits from New York companies. See "Reciprocal Law."

DOMESTIC COMPANIES—Insurance Law, Sec. 110. "Thirteen or more persons may become a corporation for the purpose of making insurances on dwelling houses, stores and all kinds of buildings and household furniture, and other property against loss or damage, including loss of use or occu-

pancy by fire, lightning, windstorm, tornadoes, cyclone, earthquake, hail, frost or snow, and by explosion, whether fire ensues or not, except explosion on risks specified in subdivision 7 of section 70 of this chapter, and also against loss or damage by water to any goods or premises arising from the breakage or leakage of sprinklers, pumps or other apparatus, erected for extinguishing fires, and of water pipes, and against accidental injury to such sprinklers, pumps or other apparatus, and upon vessels, boats, cargoes, goods, merchandise, freights and other property against loss or damage by all or any of the risks of lake, river, canal and inland navigation and transportation, as well as by any or all of the risks specified in Sec. 150 of this chapter, including insurances upon automobiles, whether stationary or being operated under their own power, which shall include all or any of the hazards of fire, explosion, transportation, collision, loss by legal liability for damage to property resulting from the maintenance and use of automobiles, and loss by burglary or theft or both, but shall not include insurance against loss by reason of bodily injury to the person, and to effect reinsurances of any risks taken by it, by filing in the office of the Superintendent of Insurance a declaration signed by all of them of their intention to form a corporation for the purpose of transacting the business of making any or all of such insurances, which shall comprise a copy of the charter proposed to be adopted by them, setting forth the name of the corporation, the place of location of its office, the mode in which its corporate powers are to be exercised and its directors elected, a majority of whom shall be citizens of this State, and if a stock corporation, the owner in his own right of at least \$500 of the stock of the corporation, at its par value, the mode of filling vacancies in the office of director, the period for the commencement and termination of its fiscal year and the amount of capital to be employed in the transaction of its business; provided that a corporation including in its charter a provision to assume any of the risks of ocean marine insurance, as specified in Sec. 150 of this chapter, must have a capital, paid in in cash, of at least \$400,000. No such declaration shall be filed unless the person signing the same shall have previously published for at least two weeks successively a notice of their intention to form such a corporation in a public newspaper in the county where its office is to be located. Every such corporation shall be known as a fire insurance corporation." No such corporation shall directly or indirectly deal or trade in, buying or selling any goods, wares, merchandise or other commodities whatever, except such articles as may be insured by it and are claimed to be damaged by any cause so insured against. The name of a new company must not so closely resemble that of a company already authorized in this State as to be calculated to deceive. Town and county co-operative fire associations are now under the supervision of the Insurance Department.

EXAMINATIONS—Ins. Law, Sec. 39. "The Superintendent of Insurance

issued by the legislature, not estimated above their par or their current market value; provided that similar domestic insurance corporations doing business in such State are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such State like securities of this State. Such deposit may be made by an insurance corporation incorporated under the laws of a country outside of the United States authorized to do business in this State in the stocks or bonds of such country or of any province or city therein, or, if any securities other than those above named are offered as a deposit, they may be accepted at such valuation and on such conditions as the Superintendent of Insurance may direct, provided that similar domestic insurance corporations doing business in such country outside of the United States are authorized by the laws thereof to deposit or hold as security therein for the benefit or security of their policyholders and creditors in such country the stocks or bonds of the United States, the stocks or bonds of this State or of any county or incorporated city in this State and securities of the same general character as those which are offered for deposit in the Insurance Department; and provided, further, that if any country makes a deduction from the value of the securities deposited by similar domestic corporations, a similar deduction shall be made from the securities deposited in the Insurance Department by corporations incorporated under the laws of such country. If the market value of any of the securities which have been deposited by any company shall decline below that at which they were deposited, the Superintendent of Insurance shall call upon the company to make a further deposit, so that the market value of all securities deposited by any such company shall be equal to the amount which it is required to deposit." Sec. 27 provides that in addition to the \$200,000 required to be deposited with the Insurance Department, a company of another country must have at least \$300,000 additional deposited with Insurance Departments or trustees within the United States.

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EXAMINATIONS—Ins. Law, Sec. 39. "The Superintendent of Insurance

shall, as often as he deems it expedient, and if a domestic life or casualty insurance corporation, at least once in three years, or, if any other domestic insurance corporation, association, society or order, at least once in five years, examine into the affairs of any insurance corporation doing business in this State, and into the affairs of any corporation organized under any law of this State or having an office in this State, which corporation is engaged in or is claiming or advertising that it is engaged in organizing or receiving subscriptions for or disposing of stock, or in any manner aiding or taking part in the formation or business of, an insurance corporation or corporations, or which is holding the capital stock of one or more insurance corporations for the purpose of controlling the management thereof as voting trustee or otherwise." Sec. 25. "The Superintendent of Insurance shall have the same supervision and make the same examination of the business and affairs of every foreign insurance corporation doing business in this State, as of domestic insurance corporations, doing the same kind of business, and of its assets, books, accounts and general condition. Every such foreign corporation and its agents and officers shall always be subject to and be required to make the same statements and answer the same inquiries and be subject to the same examinations, and, in case of default therein, to the same penalties and liabilities as domestic insurance corporations doing the same kind of business, or any of the agents or officers thereof, are or may be liable to under the laws of this State or the regulations of the Insurance Department. The Superintendent may, whenever he deems it necessary, either in person or by a proper person appointed by him, repair to the general office of such foreign corporation, wherever the same may be, and make an investigation and examination of its affairs and condition. He may cancel and revoke the certificate of any such foreign corporation refusing or unreasonably neglecting to comply with the provisions of this section, or to allow the examination herein provided for to be made, and prevent such corporation from further continuance in business in this State. A foreign insurance corporation may transact in this State only such kind of business as, under the laws of this State, a like domestic insurance corporation is authorized to transact."

FEES—For filing declaration and certified copy of charter, \$30; for filing annual report (foreign companies located outside of the United States), \$20; for each certificate of authority and certified copy thereof, and for each certificate of deposit, valuation or compliance, not exceeding \$5; for each copy of paper on file, per folio, 10 cents; for affixing official seal, \$1; for each copy of process, \$2. Foreign companies, certificate of compliance, \$5; corporation certificate, \$2. See "Reciprocal Law." See summary of Sec. 142, under "Agents' Licenses." License fees for agents of companies of other States are governed by the reciprocal law. License fee for agent of marine company of foreign country, \$2. Brokers' certificate of authority, after January 1, 1916, for an individual, \$10 in a city of the first class; \$7.50 in a city of the second class; \$5 in a city of the third class, and \$2

elsewhere in the State. For non-residents, \$10; but in case such non-resident does not solicit in a New York State city of the first or second class, \$5. For partnerships or corporations with one member or officer acting, same fee as individuals, and for each additional member or officer acting an additional fee equal to that paid by an individual. Public adjusters' fee, for individual, \$25. No fee is charged domestic companies for filing annual statements or charter, and other State companies' fees are governed by the reciprocal provision. Authority to remit all fees is vested in the Superintendent of Insurance, and they are remitted as to other State companies except when required by the Reciprocal Law. (Sec. 33, Ins. Law.) Fees are payable to the Superintendent of Insurance. The expense of an examination is borne by the company examined, unless remitted by the Superintendent.

FIRE DEPARTMENT TAX—Ins. Law, Sec. 133. "Except in the cities of New York and Buffalo there shall be paid to the treasurer of the fire department of every city or village of this State, whether incorporated or unincorporated, having a fire department, company or organization, for the use and benefit of such department, or to the treasurer of such fire department within the fire limits, as established by law, of an unincorporated village, and when no treasurer of a fire department exists, then to the treasurer or other fiscal officer of such city or village, or in case of an unincorporated village to the Supervisor of the town in which such village is situated who, for the purpose of this chapter, shall have the same powers as the treasurers of fire departments, on the first day of February of each year, by every person who shall act as agent for or on behalf of any foreign fire insurance corporation, association or individuals which insure property against loss or injury by fire, the sum of \$2 upon the \$100, and at that rate upon the amount of all premiums which during the year or part of a year ending on the last preceding thirty-first day of December shall have been received by such agent or person, or received by any other person for him, for any insurance effected or procured by him as such agent or broker against loss or injury by fire upon property situate within the corporate limits of such city or village, or within the fire limits of such unincorporated village." A tax of two per cent on gross premium receipts must be paid by the agents of foreign fire companies doing business in New York for insurance against loss or injury by fire in the city of New York to the trustees of the Exempt Firemen's Benevolent Fund. (See Chap. 378, Laws of 1897, as amended; sections 798-812 being a part of the charter of Greater New York.) Similar tax in city of Buffalo is provided for in Chap. 105, Laws of 1891, Sec. 265. Sec. 134. "No person shall, as agent for any such foreign insurance corporation, association or individuals, effect any insurance upon any property situate in any city or village of this State upon which the sums specified in the preceding section are required to be paid; or as such agent procure such insurance to be effected, until he shall

have executed and delivered to the officer to whom such account is to be rendered and such payments to be made, a bond to such fire department in the penal sum of \$500, with such sureties as such treasurer, Supervisor or other fiscal officer shall approve, with a condition that he will annually render to such treasurer, Supervisor or other fiscal officer, on the first day of February in each year, a just and true account, verified by his oath that the same is true, of all premiums which, during the year ending on the thirty-first day of December preceding such report, shall have been received by him or any other person for him, for any insurance against loss or injury by fire upon property situated in such city or village, which shall have been effected or procured by him to have been effected by any such corporation, association or individuals, and that he will annually, on the first day of February in each year, pay to such treasurer or Supervisor or other fiscal officer \$2 upon every \$100, and at that rate upon the amount of such premiums. If any such agent shall desire to transact business in more than one city, town or village, he may, instead of executing and delivering a separate bond for each such city, town or village, as required by this section, execute and file with the superintendent of insurance a bond in the penal sum of fifteen hundred dollars, with such sureties as the superintendent shall approve, conditioned that he will make his account and pay the sums so required to be paid in each city, town or village in which he shall effect insurance. Any such corporation, association or individual, having authority to transact business in this State, on filing a bond in the penal sum of \$2,500 with the Superintendent of Insurance, that it will make its account and pay the sum so required to be paid, may effect such insurance in any city, town or village wherein it has no agent." Agent may file one bond to cover all companies he represents. Bond required in New York City, \$1,000. Penalty for violation, \$200 for each offense.

FIRE MARSHAL—None.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed by June 15, covering the preceding calendar year (there is no specific requirement in the law covering this point).

GENERAL PENALTY—Sec. 53. "Any corporation or person violating any provision of this chapter, except where such violation constitutes a felony, shall, in addition to any penalty otherwise prescribed for such violation, be guilty of a misdemeanor." See "Reciprocal Law."

GUARANTY AND SPECIAL RESERVE FUNDS—Sec. 130. "Any domestic fire insurance corporation may create a guaranty surplus fund and a special reserve fund upon the adoption of a resolution by its board of directors at a regular meeting, and upon filing with the superintendent of insurance a copy thereof, declaring their desire and intention to create such funds and to do business under this and the two following sections. The superintendent shall thereupon make or cause to be made an examination of such corporation, and he shall make a certificate of the result thereof, which shall particularly set forth the amount of surplus funds held by it at the

date of the examination, which, under the provisions of this section may be equally divided between and set apart to constitute guaranty surplus and special reserve funds, which certificate shall be recorded in the insurance department.

Thereafter all policies and renewals of policies issued by such corporation shall have printed thereon by it a notice that they are issued under and in pursuance of this and the two following sections of this chapter referring to the same by the numbers of sections, and all such policies and renewals shall be subject to the provisions of such sections. After the passage and filing of such resolution, the corporation shall not make, declare or pay in any form any dividend upon its capital stock exceeding seven per cent per annum thereon, and upon the surplus funds to be formed thereunder, until after its guaranty surplus fund and its special reserve fund shall have together accumulated to an amount equal to its capital stock; and until such funds shall together amount to a sum equal to its capital stock, the entire surplus profits of the corporation above such annual dividend of seven per cent shall be equally divided between and be set apart to constitute such guaranty surplus and special reserve funds, which funds shall be held and used as hereinafter provided and not otherwise. Any such corporation which shall declare or pay any dividend contrary to the provisions herein contained, shall be deemed to have forfeited its charter.

In estimating the profits of any such corporation for the purpose of making a division thereof between the guaranty surplus fund and the special reserve fund, until such funds shall together amount to a sum equal to its capital stock, there shall be deducted from the gross assets of the corporation, including for this purpose the amount of the special reserve fund, the sum of the following items:

1. The amount of all outstanding claims.
2. An amount sufficient to meet the liability of the corporation for the unearned premiums upon its unexpired policies, which shall be at least equal to the unearned premiums on policies having one year or less to run, and a pro rata proportion of the premiums received on the policies having more than one year to run, and shall be known as the reinsurance liability.
3. The amount of its guaranty surplus fund and its special reserve fund.
4. The amount of its capital.
5. Interest at the rate of seven per cent per annum upon the amount of its capital and of such funds for whatever time shall have elapsed since the last preceding cash dividend.

The balance shall constitute the net surplus of the corporation subject to the equal division between the funds as herein provided. When the corporation shall notify the superintendent of insurance that it has fulfilled the requirements of this section, and that its guaranty surplus fund

and its special reserve fund, taken together, equal its capital stock, he shall make an examination of the corporation and make a certificate of the result thereof; and thereafter such corporation may continue, out of any subsequent profits of its business, to add to such funds, either the whole or only a part thereof, but when any addition is made to the special reserve fund, an equal sum shall be carried to the guaranty surplus fund. Provided, however, that no such corporation shall establish such guaranty surplus fund and special reserve fund after June first, nineteen hundred and fifteen." (Funds, how invested.) Sec. 131. "Such guaranty surplus fund shall be held and invested by such corporation in the same manner as its capital stock and surplus accumulations, and shall be liable and applicable in the same manner as the capital of the corporation to the payment generally of its losses. Such special reserve fund, until it shall amount to a sum equal to one-half of the capital stock, shall be invested in the same manner as the capital of the corporation, and any additional sum added to such fund shall be invested in any securities in which the corporation is by law authorized to invest its capital or its surplus accumulations, and shall be deposited from time to time, as the same shall accumulate and be invested, with the superintendent of insurance.

Such special reserve fund shall be deemed a fund contributed by the stockholders to protect such corporation and its policyholders other than claimants for losses already existing or then occurred, in case of any extraordinary conflagration or conflagrations as hereinafter mentioned, and shall not be regarded as any part or portion of the assets of the corporation so as to be liable for any claim for loss by fire or otherwise, except as herein provided." (Proceedings in case of extensive conflagrations.) Sec. 132. "When any extensive conflagration or conflagrations shall occur whereby the claims upon the corporation shall exceed the amount of its capital stock and of the guaranty surplus fund hereinbefore provided, the corporation shall notify the superintendent of insurance of the fact, who shall then make or cause to be made, an examination of the corporation, and shall issue his certificate in duplicate of the result, showing the amounts of capital, of guaranty surplus fund, of special reserve fund, of reinsurance liability, and all other assets.

One of such certificates shall be given the corporation, and the other shall be recorded in the insurance department. Such special reserve fund shall be immediately held to protect all policyholders of the corporation other than such as are claimants upon it at the time, or such as become claimants in consequence of such conflagration or conflagrations.

The amount of such special reserve fund, and an amount equal to the unearned premiums of such corporation, to be ascertained as hereinbefore provided, shall constitute the capital and assets of such corporation for the protection of policy-holders other than such claimants, and for the further conduct of its business. Such certificate of the superintendent shall be binding and conclusive upon all parties interested in the corporation

whether stock-holders, creditors or policyholders. Upon the payment to the claimants for losses or otherwise, existing at the time of or caused by such general conflagration or conflagrations, of an amount to which they are respectively entitled in proportion to their several claims, of the full sum of the capital of the corporation and of its guaranty surplus fund, and of its assets, except only such special reserve fund and an amount of its assets equal to the liability of the corporation for unearned premiums, as so certified by the superintendent, such corporation shall be forever discharged from any and all further liability to such claimants and to each of them.

The superintendent shall, after issuing such certificate, upon the demand of the corporation, transfer to it all such securities as shall have been deposited with him by it as such special reserve fund. If the amount of such special reserve fund shall be less than fifty percentum of the full amount of the capital of the corporation, a requisition shall be issued by the superintendent upon the stockholders to make up the capital to that proportion of its full amount, in the manner now provided by law in the case of a corporation with impaired capital. Any capital so impaired shall be so made up to at least the sum of two hundred thousand dollars. If the corporation, after such requisition, shall fail to make up its capital to at least such amount as herein directed such special reserve fund shall be held as security and liable for all losses occurring upon policies of such corporation after such conflagration or conflagrations. If any amount greater than a sum equal to one-half of its capital stock shall by such corporation, under the two provisions of the two preceding sections, have been deposited with such superintendent, he shall retain of such securities a sum equal to one-half of the amount he shall so hold thereof in excess of such one-half of the capital stock, and transfer the balance thereof to the corporation as herein provided. The amount so transferred to the corporation shall, from the time of such transfer, if not less than two hundred thousand dollars, constitute the capital stock of the corporation for the further conduct of its business as hereinbefore provided. The sum so retained by the superintendent shall thenceforth constitute the special reserve fund of the corporation, to which additions may be made as herein provided, and shall be held in the same manner, for the same purposes and under the same conditions as the original special reserve fund of the corporation was held. The corporation shall in its annual statement to the Insurance Department set forth the amount of such special reserve fund and of its guaranty surplus fund. If in consequence of the payment of losses by fires, or of the expenses of the business, or of the interest payable under the provisions of this chapter to stockholders, or from any cause, the guaranty surplus fund shall be reduced in amount below the amount of the special reserve fund, the directors of the corporation shall have the right, at their option, at the time of making any division of the net profits as herein provided, to carry a larger sum to the guaranty surplus fund than to the special reserve fund; but this

privilege shall cease when the two funds are made equal in amount.

The policy registers, insurance maps, books of record and other books in actual use by the corporation in its business, are not to be considered as assets, but shall be held by it for its use in the protection of its policyholders not claimants for losses at the time of such general conflagration. If after the accumulation of such special reserve fund, it shall appear upon examination by the superintendent that the capital of the corporation has, in the absence of any such extensive conflagration, become impaired, he shall order a call upon the stockholders to make up such impairment, and the board of directors may either comply with such order and require the necessary payments of the stockholders, or, at their option, they may apply for that purpose so much of such special reserve fund as will make such impairment good. No corporation doing business under this and the two preceding sections shall insure any larger amount upon any single risk than is permitted by law to a corporation possessing the same amount of capital irrespective of the funds hereinbefore provided for."

Sec. 132a. "Discontinuance of special reserve and guaranty surplus funds. Any domestic fire insurance corporation which has heretofore established a guaranty surplus fund and special reserve fund may, at a regular meeting of its board of directors, adopt a resolution declaring its desire and intention to discontinue such funds and cease to do business under and in pursuance of sections one hundred and thirty, one hundred and thirty-one and one hundred and thirty-two of this chapter, and file a certified copy of such resolution with the Superintendent of Insurance.

"Upon the adoption and filing of such resolution, all rights of such corporation to withhold such special reserve fund from its general creditors shall be terminated and the corporation shall discontinue printing upon its policies or renewals the notice provided for in section one hundred and thirty of this chapter, and thereafter the provisions of said sections one hundred and thirty, one hundred and thirty-one and one hundred and thirty-two shall cease to apply to such corporation; provided that the special reserve fund of such corporation shall continue at the amount prescribed by said sections at the date of the making and filing of such resolution and the guaranty surplus fund shall continue at a like amount, but such funds need not be increased on account of any increase in capital of any such corporation after the adoption and filing of such resolution and shall be held and invested as provided in said sections, but only for the purpose of assuring to the holders of policies at the time such resolution is filed with the Superintendent of Insurance such rights and privileges as may inure to them under said sections.

"At the expiration of five years after the adoption and filing of such resolution by any such corporation, the special reserve fund shall be reduced to an amount equal to the unearned premium upon and all losses incurred and unpaid under any remaining policies which were outstanding

at the time of the adoption and filing of such resolution; and the excess of the special fund above such amount shall be returned by the Superintendent of Insurance to such corporation; and when all policies which were outstanding at the time of the adoption and filing of such resolution shall have terminated by expiration or by cancellation, the entire balance of such special reserve fund shall be returned to such corporation."

IMPAIRMENT—Every insurance corporation whose assets and credits are not sufficient to reinsure its outstanding risks in a solvent insurance corporation, shall be deemed insolvent and may be proceeded against as an insolvent corporation. Ins. Law, Sec. 41. "Whenever it appears to the Superintendent, from any statement made to him or from any examination made by him or by any examiner appointed by him, that the capital stock of any domestic insurance corporation, except a life insurance corporation, is impaired to the extent of twenty-five per centum thereof or that its assets are insufficient to justify its continuance in business, he shall determine the amount of such impairment or deficiency, and issue a written requisition to the corporation to require its stockholders to make good the amount of the impairment or deficiency within such period as he may designate, not less than thirty nor more than ninety days from the service of the requisition. * * * If the capital stock of any foreign insurance corporation, except a life insurance corporation, doing business in this State is so found impaired, the Superintendent shall revoke the certificate of authority issued to such corporation, and shall cause a notice thereof to be published in the State paper for four weeks, and such corporation, its agent or agents, shall discontinue the issuing of any new policies within this State." Sec. 27. "A foreign insurance corporation incorporated by or existing under the government or laws of any country outside of the United States, and admitted to do business in this State, shall not transact any business of insurance in this State, unless it shall have within the the United States, deposited with Insurance Departments or held in trust as hereinafter provided, not less than \$500,000, if a fire insurance corporation, and not less than \$200,000, if a life or casualty insurance corporation, invested in like manner as the capital of a similar domestic insurance corporation is required to be invested. The capital of such foreign fire insurance corporation, doing fire insurance business in this State, or of any such company hereafter admitted to such business in this State, shall, for the purposes of this chapter, be the aggregate value of such sums or securities as such corporation shall have on deposit in the insurance department of this State, and of the other States of the United States, for the benefit of policyholders in any of such States or in the United States, and of all bonds and mortgages for money loaned on real estate in this State or in any State of the United States, if such loans shall be made in conformity with the laws of such State providing for the incorporation of insurance companies therein and the investment of their capital, and of all other assets and property in the United States, in which

fire insurance companies may invest under the provisions of Secs. 13 and 16, if such bonds and mortgages, assets and property shall be held in the United States by trustees, approved by the Superintendent of Insurance and citizens of the United States, or deposited with a trust company to be approved by him, for the general benefit and security of all its policyholders in the United States after taking from such aggregate value the same deductions for losses, debts and liabilities in this and the other States of the United States, and for premiums upon risks therein not yet expired, as is authorized or required by the laws of this State, or the regulation of its Insurance Department with respect to fire insurance companies organized under the laws of this State."

INVESTMENTS PRESCRIBED—Sec. 16. "The cash capital of every domestic insurance corporation required to have a capital, to the extent of the minimum capital required by law, shall be invested and kept invested in the stocks or bonds of the United States or of this State, not estimated above their current market value, or in the bonds of a county or incorporated city in this State authorized to be issued by the legislature, not estimated above their par value or their current market value, or in bonds and mortgages on improved unencumbered real property in this State worth fifty per centum more than the amount loaned thereon. The cash capital of every foreign insurance corporation to the extent of the minimum capital required of a like domestic corporation shall be invested and kept invested in the same class of securities specified for domestic insurance corporations, except that like securities of the home State or foreign country shall be recognized as legal investments for the amount of the minimum capital required. The residue of the capital and the surplus money and funds of every domestic insurance corporation over and above its capital, and the deposit that it may be required to make with the Superintendent, may be invested in or loaned on the pledge of any of the securities in which deposits are required to be invested, or in the public stocks or bonds of any one of the United States, or in bonds and mortgages on improved unencumbered real property in this State worth fifty per centum more than the amount loaned thereon, or except as in this chapter otherwise provided, in the stocks, bonds or other evidence of indebtedness of any solvent institution incorporated under the laws of the United States or of any State thereof, or in such real estate as it is authorized by this chapter to hold, but no such funds shall be invested in or loaned on its own stock or the stock of any other insurance corporation carrying on the same kind of insurance business. * * * Any domestic insurance corporation may, by the direction and consent of two-thirds of its board of directors, managers or finance committee, invest, by loan or otherwise, any such surplus moneys or funds in the bonds issued by any city, county, town, village or school district of this State, pursuant to any law of this State. Any corporation organized under subdivision 1a, Sec. 170 of this chapter, for guaranteeing the validity and

legality of bonds issued by any State, or by any city, county, town, village, school district, municipality, or other civil division of any State, may invest by loan or otherwise any of such surplus moneys or funds as provided in Section 100 of this chapter. Every such domestic corporation doing business in other States of the United States or in foreign countries may invest its funds in the same kind of securities in such other States or foreign countries that such corporation is by law allowed to invest in, in this State. * * * But nothing in this section shall be held to authorize one insurance corporation to obtain, by purchase or otherwise, the control of any other insurance corporation." Sec. 18. " * * * All bonds or other evidences of debt held by any life insurance corporation authorized to do business in this State shall, if amply secured and if not in default as to principal or interest, be valued as follows: If purchased at par, at the par value; if purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield meantime the effective rate of interest at which the purchase was made; provided that the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase, and provided further that the Superintendent of Insurance shall have full discretion in determining the method of calculating values according to the foregoing rule, and the values found by him in accordance with such method shall be final and binding; provided, also, that any such corporation may return such bonds or other evidences of debt at their market value or their book value, but in no event at an aggregate value exceeding the aggregate of the values calculated according to the foregoing rule. The Superintendent of Insurance may, at any time, in his discretion, require any insurance corporation, other than a life insurance corporation, authorized to do business in this State to value its bonds or other evidences of debt in accordance with the foregoing rule. Companies are authorized to hold real estate requisite for its convenient accommodation and transaction of its business, and to take over real estate under foreclosure of mortgages or in settlement of debts; but the latter must be sold within five years after the acquirement of title."

LICENSED AGENTS IN EXCEPTED CASES—Sec. 137. "The Superintendent of Insurance, in consideration of the yearly payment of \$200, except in counties having less than 100,000 inhabitants, in which case the fee shall not exceed \$25, may issue to citizens, firms or corporations having places of business in this State, not exceeding 200 in number, a license, revocable at any time, permitting the party named in such license to act as agent to procure policies of fire insurance from corporations, persons, partnerships and associations which are not otherwise authorized to do business in this State." Affidavits that sufficient insurance cannot be obtained in authorized companies must be executed by both insured and licensed agent, and such affidavits must be filed within thirty days with Superintendent of Insurance and Clerk of county in which insured property is located. Such agent

shall file bond of \$2000, conditioned that he will pay to the Volunteer Firemen's Association, or where there is a fire patrol or salvage corps, to its treasurer, a sum equal to three per cent of net premiums on policies procured under this license, in July and January of each year. Sec. 138. "The Superintendent of Insurance in his discretion may issue to any person, partnership, association or corporation complying with the requirements of this section, a certificate permitting the holder thereof to issue policies of fire insurance within this State, upon applications made to it or them, under the conditions as set forth in Sec. 137 by agents licensed thereunder, but not otherwise. Such certificates shall be granted only upon the filing with the Superintendent of Insurance of an application therefor signed and acknowledged by the persons, partnership or the proper attorneys or officers of the associations or corporations desiring same and such applications shall contain the name and address in each instance of the agent or agents through whom the applicant proposes to conduct the business herein permitted. Such certificate when granted shall specify that the insurer or insurers named therein may issue in this State policies of fire insurance through the agent or agents named in such certificates, upon the application of agents licensed under Sec. 137, but not otherwise. The sum of twenty-five dollars shall be paid to the Superintendent of Insurance for each certificate so issued and such certificate shall remain in force for the period of one year from the date thereof unless sooner revoked by the said Superintendent, provided, however, that whenever the holder of any such certificate desires to substitute the name of any new agent in place of the agent named in the certificate, the Superintendent may, if he approves of the change, issue a new certificate for the unexpired term of the original certificate in which shall appear the name of such agent so substituted. Any certificate granted under this section shall be revoked upon proof to the satisfaction of the said Superintendent that the holder thereof either directly or through any agent or attorney in fact has violated any provision of this chapter, or is in such condition that the further transaction of business by it or them would be hazardous to the people of the State. Every policy issued in this State by any person, partnership, association or corporation to whom a certificate under this section shall be granted (a) shall be countersigned by the agent named in the certificate; and (b) shall contain the provisions of the standard policy provided for by Sec. 121 of this chapter, or an agreement that the policy so issued shall be subject to such provision and that any condition thereof inconsistent with or contrary to the provisions of the standard policy shall be null and void; and (c) shall contain a further provision that service or a summons or other legal process relative to any claim under such policy may be made on the agent issuing or countersigning the same and that such service shall be equivalent to the personal service within this State of such process on the persons, associations or corporations obligated thereupon; and (d) shall have printed in red ink upon the outside cover thereof, under the name of

the corporation or association issuing the same, in plain type, the words: Surplus line insurance only; this company (person, partnership or association, as the case may be) is not under the supervision of the New York State Insurance Department; issued by.....agent, address The books and records of every agent within this State for such corporations, persons, partnerships and associations shall be open at all times to the inspection of the Superintendent of Insurance, and must show, first the exact amount of insurance written; second, the gross premiums charged thereon; third, the date of the policy; fourth, the term thereof; fifth, the location of the property; and sixth, the names of those licensed agents upon whose applications the insurance was issued. Nothing herein contained shall be held to prevent any agent licensed under the provisions of Sec. 137 from acting as the agent of any corporation, person, partnership or association to whom a certificate has been granted under this section."

This act went into effect June 13, 1911.

LIMIT ON A SINGLE RISK—Sec. 24. "No domestic insurance corporation, nor any insurance corporation organized under the laws of any country outside of the United States, doing business in this State, shall expose itself to any loss on any one risk or hazard to an amount exceeding ten per centum of its capital and surplus. No insurance corporation incorporated under the laws of any other State of the United States, doing business in this State, shall expose itself to any loss on any one risk or hazard within this State to an amount exceeding ten per centum of its capital and surplus. No portion of any such risk or hazard which shall have been reinsured in a corporation authorized to do insurance business in this State shall be included in determining the limitation of risk prescribed in this section. This section shall not apply to life insurance corporations, nor to marine insurance corporations authorized to do business in this State." See Sec. 149, under "Mutual Companies." Limit for assessment co-operative company, \$7000 on one risk; for advance premium co-operative, \$5000.

LLOYDS—Ins. Law, Sec. 9. "No corporation, nor any individual, as principal, shall transact the business of insurance within this State without the certificate of the Superintendent of Insurance, certifying under his hand and official seal that such corporation or individual has complied with all the requirements of law to be observed by such corporation or individual and that such corporation or individual is authorized to transact the business of insurance specified therein in this State. Such certificate shall be recorded in the office of the Superintendent in a book to be kept by him for that purpose. No corporation or individual shall transact in this State any insurance business not specified in the certificate of authority granted by the Superintendent. The Superintendent may refuse to issue any such certificate to a domestic or foreign corporation, if, in his judgment, such refusal will best promote the interests of the people of the State. Nothing in this section contained shall apply to any insurance company organized prior to

the first day of October, eighteen-hundred and ninety-two, under any general or special law of this State and carrying on business on said date, but every such corporation is hereby recognized as an existing corporation and is hereby authorized to continue as such corporation and to continue such business until the legislature shall otherwise provide, subject to such of the provisions of this chapter as are made applicable to such corporations." Ins. Law, Sec. 54. "No person, partnership, or association of persons shall engage in the business of insurance in this State except as agent of a person or corporation authorized to do the business of insurance in the State, unless possessed of the capital required of an insurance corporation doing the same kind of business in the State and invested in the same manner; nor unless he or they shall have made and deposited with the Superintendent of Insurance securities of the same amount required of an insurance corporation doing business in this State, nor unless the Superintendent of Insurance shall have granted to him or them a certificate to the effect that he or they have complied with all the provisions of law which an insurance corporation doing business in this State is required to observe, and that the business of insurance specified therein may be safely intrusted to the person, partnership or association of persons to whom the certificate is granted. Every person, partnership or association receiving any such certificate of authority shall be subject to the insurance laws of the State and to the jurisdiction and supervision of the Superintendent of Insurance in the same manner as if an insurance corporation authorized by the laws of the State to engage in the business of insurance specified in the certificate. No such person, partnership or association shall transact business under a corporate or fictitious name or under any name, style or title other than the true name of such person, or of the persons comprising such partnership or association." Sec. 300. "Notwithstanding the provisions of Sec. 54 of this chapter, persons, partnerships or associations which, on October 1, 1892, were lawfully and actually engaged in the business of insurance as Lloyds or inter-insurers or individual underwriters, may, after January 1, 1911, continue to do the business of insurance in this State, provided that such persons, partnerships or associations shall comply with the provisions of this article, but not otherwise; and such persons, partnerships and associations as may comply with and be licensed according to Secs. 304 and 305 of this article, may do such insurance business as is therein permitted. Any persons, partnerships, or associations which, after January 1, 1911, shall in this State engage in the business of insurance as Lloyds or inter-insurers, or represent or advertise that they are so engaged, without having been authorized so to do in accordance with the provisions of this article, and any agent, sub-agent, or representative of any such persons, partnerships, or associations not so authorized to do such business in this State, who shall after January 1, 1911, in any way represent any such unauthorized persons, partnerships or associations, directly or indirectly, in engaging or attempting to engage in the business of insurance in this State,

shall be guilty of a misdemeanor." Sec. 301. "Not later than August 1, 1910, any persons, partnerships or associations claiming that they were lawfully and actually doing the business of insurance in this State as Lloyds or inter-insurers on October 1, 1892, shall file with the Superintendent of Insurance on blanks furnished by him for that purpose, (a) an application for a certificate authorizing the continuance of such business after January 1, 1911, which application shall specify the kinds of insurance intended to be written after the last mentioned day; (b) a verified statement of the condition of such Lloyds or inter-insurers as of the first day of July, nineteen hundred and ten; (c) an agreement, executed and duly acknowledged by each and every individual underwriter or inter-insurer or his attorney in fact duly authorized thereto, providing in substance that personal service of a summons or other legal process in an action against any such Lloyds or inter-insurers, if made upon a person specified in such agreement and resident in the State of New York, shall be equivalent to the personal service within this State of such summons or other process on each and every of such individual underwriters or inter-insurers; and (d) such other matters as the Superintendent of Insurance may prescribe. Thereafter, and not later than December 1, 1910, the financial condition of and the methods of doing business by the persons, partnerships and associations so applying, shall be examined as provided in Sec. 39 of this chapter. Thereafter, the Superintendent of Insurance shall grant to such persons, partnerships and associations as shall have complied with the provisions of this article a certificate of authority to conduct the business of insurance in this State on and after January 1, 1911, which certificate shall be revocable or subject to suspension, if any of such persons, partnerships or associations fail to comply with any or all of the requirements of this chapter applicable thereto, or upon the happening of any event which on January 1, 1911, would prohibit such persons, partnerships or associations from transacting business in this State as set forth in Sec. 302. Such certificate shall indicate the kinds of insurance which may be written by such persons, partnerships or associations, provided that the same are not other than those now or which may hereafter be specified in Secs. 110 and 150 of this chapter."

Sec. 302. "No such persons, partnerships or associations, who claim that they were lawfully and actually doing the business of insurance in this State as Lloyds or inter-insurers on October 1, 1892, shall, after January 1, 1911, engage in the business of insurance in this State as Lloyds or inter-insurers, (a) unless there shall be on file in the office of the Superintendent of Insurance a copy of the original articles of association, copartnership agreement or inter-insurance contract, together with all amendments thereto, accompanied by an affidavit, verified by an attorney in fact, to the effect that it is a true copy, and stating where the principal office of such persons, partnerships or associations so doing such business is located, the kinds of insurance in which it is engaged, or in which it lawfully claims the right to engage, the name, under which business is

done and the names and postoffice addresses of all the underwriters, inter-insurers and attorneys in fact so doing business as Lloyds or inter-insurers, which affidavit shall be so verified not earlier than December 15, 1910; or (b) which shall change the name under which business is done, without first obtaining the written approval of the Superintendent of Insurance; or (c) which shall establish branches under other or different names or titles; or (d) which shall have a name so similar to that of any other Lloyds or insurance corporation as in the opinion of the Superintendent of Insurance is calculated to deceive, and any existing Lloyds having such a name may be required to change same by the Superintendent of Insurance; or (e) which does not maintain at all times, in addition to all outstanding claims and other liabilities, a sum equal to the total unearned premiums on the policies in force, calculated on the gross sum without any deduction on any account, charged to the policyholder on each respective risk from the date of the policy; or (f) which shall not have its assets invested as prescribed by Sec. 16 of this chapter; or (g) unless each of the underwriters shall be worth in his own right not less than \$20,000 above all liabilities; such fact to be determined by the Superintendent of Insurance, and in determining same he may take the signed reports of commercial agencies having upwards of 100,000 subscribers. No such persons, partnerships or associations shall change the location of their principal office for the transaction of business without first filing with the Superintendent of Insurance the affidavit of an attorney in fact stating where such office is to be located, and in no event shall such office be located outside the State of New York. Every change in the underwriters, inter-insurers or attorneys in fact, made after the filing of the affidavit previously mentioned in this article, shall be reported to the Superintendent of Insurance by a written verified statement of an attorney in fact within twenty days after the same has been made, which affidavit shall be accompanied by an agreement, executed and duly acknowledged, and binding the new underwriter or underwriters, inter-insurer or inter-insurers to the original agreement between all the underwriters or inter-insurers required to be filed by Sec. 301 of this chapter, with regard to the service of process. The underwriters' liability shall not be included in the statements or reports of such persons, partnerships or associations either as an asset or a liability and any deposit made by an underwriter with any such persons, partnerships or associations, if treated as an asset in any statement or report, shall also be charged as a liability." Sec. 303. "After January 1, 1911, Secs. 6, 7, 9, 16, 20, 21, 22, 36, 39, 40, 44, 45, 46, 47, 48, 49, 53, 63 and 118 of this chapter are hereby, to the extent that they are now or hereafter may become applicable to corporations authorized to engage in the business of insurance in this State and specified in Secs. 110 and 150 of this chapter, made specifically applicable to any persons, partnerships or associations to which this article is applicable, provided that, where any of such sections imposes a duty on or prohibits an act by or in any way refers to the officers or directors of any

such corporation; such sections, when read in connection with this article, shall be deemed to mean respectively the duly authorized attorney in fact or attorneys in fact or the executive, underwriting or managing committee, of such persons, partnerships or associations, and provided, further, that where any of such sections refers to a corporation, the same, when read in connection with this article, shall be deemed to mean the persons, partnerships or associations to which this article is applicable."

Sec. 304 provides that on and after July 1, 1911, twenty-five or more persons, partnerships, associations or corporations may engage in fire or marine insurance as Lloyds or inter-insurers upon receiving a certificate of authority from the Superintendent of Insurance. The application for such certificate of authority shall be signed by the attorney-in-fact of the underwriters, and must set forth the name of the association, its location, the kinds of insurance to be written, a copy of the articles of the association or inter-insurance contract; names and addresses of all underwriters or inter-insurers; the appointment of one or more attorneys-in-fact upon whom legal process can be served, and who shall be residents of the State, and that a fund of at least \$200,000 has been contributed by the subscribers as a guarantee fund for the policyholders and is in possession of the attorney or attorneys-in-fact, either in cash or invested in securities, as specified in Sec. 16. Such an association must at all times have sufficient funds above \$200,000 to meet all its liabilities, including unearned premiums on policies in force; must not change its name without first obtaining the approval of the Superintendent of Insurance nor establish branches; must have its assets either in cash or invested as prescribed by Sec. 16, and shall in general keep the Insurance Department advised of any changes in its location or organization. Service of process on the attorney or attorneys-in-fact shall be equivalent to personal service of such process on each underwriter in the State. Funds of such association shall not be subject to the claims of general creditors of any of the underwriters, other than policyholder shall not be paid from such a fund or be a lien upon any part thereof beyond an amount which, when paid, will leave intact and in the possession of creditors, until all policies under which any such underwriter is obligated have been terminated, and in that event the claims of such general creditors such association an amount equal to the full unearned premiums on all policies in force, and in addition the sum of \$200,000.

Sec. 305 provides that on and after July 1, 1911, the Superintendent of Insurance may, in his discretion, issue certificates of authority to Lloyds or inter-insurance associations domiciled in other States to transact the kinds of insurance specified in Secs. 110 and 150. In general, the information required of an applicant for a license is similar to that which must be filed by a new domestic association under Sec. 304. In addition, a certificate is required from the Insurance Department of its home State that it has and maintains at all times an amount equal to all outstanding claims and other liabilities plus the unearned premiums on all policies in force

calculated on the gross amounts charged policyholders, and in addition the sum of \$200,000; an agreement that such association will not transact any business in New York which a domestic association cannot do, and the appointment of the Superintendent of Insurance as attorney for such association and its underwriters for New York State, upon whom legal process may be served.

MISCELLANEOUS—Any person holding a policy of other than a domestic company must show such policy to the treasurer of the fire department on request, or he is liable to a fine of \$100. Fire insurance companies are permitted to insure against damage by earthquake and sprinkler leakage. Marine companies may accept risks of transportation from point of shipment to destination. Foreign fire company of another country may, if empowered by its charter, establish an ocean marine department by making an additional deposit. Marine companies may cover the same risks in connection with automobile insurance as may be covered by fire insurance companies, as set forth in Sec. 110. See "Domestic Companies." Judgment for attorney's fees, not exceeding 5 per cent, against insurance company when losing case. (N. Y. Code of Civic Proc. 3253.) Adjusters must secure licenses from Superintendent of Insurance.

Promotion or holding companies are under supervision of the Insurance Department. (Ins. Law, Sec. 66.)

MUTUAL COMPANIES—Sec. 111: "No domestic mutual fire insurance corporation shall commence business, if located in the city of New York, as said city existed on the first day of October, eighteen hundred and ninety-two, or in the county of Kings, nor establish any agency for the transaction of business in either New York or Kings County, until agreements have been entered into for insurance with four hundred applicants, citizens of this State and freeholders, each owning real estate within this State of the value of at least five thousand dollars, the premiums on which insurance shall amount to two hundred thousand dollars, of which forty thousand dollars shall have been paid in in cash, and notes, of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No such corporation in any other county of the State shall commence business until agreements have been entered into for insurance with at least two hundred applicants, citizens of this State and freeholders, each owning real estate within this State to the value of at least two thousand five hundred dollars, the premiums on which insurance shall amount to one hundred thousand dollars, of which twenty thousand dollars shall have been paid in in cash and notes of solvent parties, founded on actual and bona fide applications for insurance, shall have been received for the remainder. No one of such notes shall amount to more than five hundred dollars, no two shall be given for the same risk, or be made by the same person or firm, except where the whole amount of such notes shall not exceed five hundred dollars. No such note shall be represented as capital stock unless a policy be issued upon the same within

thirty days after the organization of the corporation upon a risk located within this State, and such policy shall be for no shorter period than one year. Such notes shall be called capital stock notes and shall be payable, in part or whole, at any time when the directors shall deem the same requisite for the payment of losses and such incidental expenses as may be necessary for transacting the business of the corporation. The solvency of each of the makers of such notes shall be examined into by the Superintendent of Insurance, or by one or more competent and disinterested persons specially appointed by him for that purpose. No note shall be received as a capital stock note unless the maker thereof shall be approved by the Superintendent of Insurance, or by the person or persons appointed by him for that purpose, as being pecuniarily good and responsible for the same, and is also owner of real estate as required by this section, nor until such note has been finally approved by the Superintendent of Insurance. No such note shall be valid as a capital stock note, unless the corporators or officers of such corporation shall certify under oath that it is the bona fide property of the corporation. No domestic mutual fire insurance corporation transacting business with capital stock notes or deposit notes shall underwrite any property not located within this State, or reinsure policies written upon such property by other insurance corporations." A declaration and copy of charter and proof of publication of notice of intention to form a corporation must be filed with the Superintendent of Insurance, and then subscription books may be opened.

Article IX of insurance law provides for the organization and operation of co-operative and town insurance companies, which are mutual in character and which now are required to report to the State Insurance Department.

Sec. 149. "Every mutual fire insurance company or association incorporated under the laws of any other State of the United States may be permitted to do business in this State by the Superintendent of Insurance on filing with him the following: (a) A certified copy of its articles of incorporation or association and of its by-laws. (b) A consent, duly executed, appointing the Superintendent of Insurance to be the true and lawful attorney for such company or association in and for this State, upon whom all legal process in any action or proceeding against the company or association may be served with the same effect as if it was a domestic company or association. Service upon such attorney shall thereafter be deemed service upon the company or association. (c) An agreement that it will pay the taxes provided for in section one hundred and forty-nine-a of this chapter, and that it will furnish any further information as to its financial condition as the Superintendent of Insurance shall require. (d) And each such company shall pay to the Superintendent of Insurance the fees required by Sec. 6 of this chapter. Provided that no such certificate of authority shall be granted unless such company shall (a) have at least \$5,000,000 of insurance in force in not less than 200 separate risks, and (b)

shall have transacted a fire insurance business in its home State for at least ten years; and (c) shall have had insurance in force in at least the amount of five million dollars in each of the five years immediately preceding its application for admission to do business in this State; and (d) shall have and maintain a reserve fund equal to the total unearned premiums on the policies in force calculated on the gross sum without any deduction on any account charged to policyholders on each respective risk from the date of the issue of the policy; and (e) in addition to maintaining such unearned premium reserve fund, shall either keep on deposit for the benefit of all its policyholders with the Superintendent of Insurance of this State or with the Auditor, Comptroller or general fiscal officer of the State under the laws of which it is incorporated, the sum of two hundred thousand dollars, or shall have a surplus or other net assets of at least fifty thousand dollars, and in addition contingent assets of at least fifty thousand dollars in the form of the obligations of policyholders to pay such amount when lawfully assessed therefor; and (f) shall have net and contingent assets which, together with the unearned premium fund, shall equal one per centum of the total insurance in force; and (g) in the event that such company does not keep on deposit the sum of two hundred thousand dollars as in "e" aforesaid it shall provide in all policies issued by it that the policyholder is liable, in addition to the original premium paid, to assessment in an amount at least equal to one year's premiums; provided, further, that no such company shall be exposed to loss to an amount exceeding ten per centum of its actual net and contingent assets upon property not protected by automatic sprinklers situated within the boundaries of one city block or on one group of buildings composed of attached or adjacent buildings which have less than sixty feet of clear space at all points between such buildings and other buildings; provided, further, that the certificate of authority granted by the Superintendent of Insurance pursuant to the provisions of this act to such insurance corporation to do business in this State shall not remain in force for a longer period than one year, and that whenever the condition of any such corporation to which a certificate of authority has been granted is such that it cannot meet all the requirements of this section the Superintendent of Insurance shall forthwith revoke such certificate. The deposit or the surplus of any such company so authorized to do business in this State, to the extent of the minimum amount thereof required by this section, shall be invested and kept invested in securities of the kind and character in which domestic or foreign companies are required to invest as minimum capital investments by section sixteen of this chapter, except that bonds and mortgages on real estate shall not be accepted as deposit securities to be held by the Superintendent of Insurance of this State. Any such company so admitted to do business may in addition to insuring property against loss or damage by fire also insure any goods or premises against loss or damage by water caused by the breakage or leakage of sprinklers, pumps, water pipes, or plumbing and its fixtures, and against accidental

injury from other cause than fire or lightning to such sprinklers, pumps, water pipes, plumbing and fixtures.

Mutual Automobile Fire Insurance.—Chapter 14 of the Laws of 1916 amended the insurance law by providing for the incorporation of mutual automobile fire insurance corporations. It is known as Article 10-A of the insurance law. Twenty-five or more persons may organize such a corporation. No policies may be issued until at least one thousand persons owning at least fifteen hundred automobiles have applied for insurance. The premium income must be at all times maintained at or over \$30,000 per annum.

PRELIMINARY DOCUMENTS—Company must file with the Superintendent of Insurance a certified copy of its charter, a verified statement showing the financial condition of the company as near as may be to date of application. Company must obtain from the Superintendent a certificate authority to do business. Foreign companies must file certified copy of charter or deed of settlement, written appointment of Superintendent of Insurance as attorney, a certified copy of its statement, and an agreement not to transact, while authorized to operate in the State, any business which a similar domestic company is forbidden to transact. No agent shall transact business in the State for any foreign company without a certificate of authority from the Insurance Department, and until he has filed a copy of the Superintendent's certificate of authority in the office of the clerk of the county in which he resides, when representing a company operating for the first year in this State. See "Publication." See "Mutual Companies."

PUBLICATION—Ins. Law, Sec. 31. "No agent of any foreign insurance corporation for the first year it is admitted to transact business in this State, shall transact any business of insurance in this State until he has filed in the office of the clerk of the county where he resides, a certified copy of the Superintendent's certificate of authority to do business, and until there has been published in a paper at Albany, in which notices by officers are authorized by law to be published for four successive weeks after such filing, a copy of such certificate and of the statement required by this chapter to be filed in the office of the Superintendent and proof of such publication shall be filed in the office of the Superintendent within thirty days thereafter, by an affidavit of the publisher of the newspaper, his foreman or clerk." Sec. 48, Laws 1913. Every advertisement issued by a company, licensed in New York State, making known its financial standing, shall exhibit the capital actually paid in cash, the assets, liabilities, including premium and loss reserve required by law and net surplus. Alien companies shall only exhibit as capital and assets those held by the United States branch; liabilities, including unearned premiums and loss reserves, and net surplus of assets over all its liabilities actually available for the payment of its losses and claims, and held for protection by its policyholders in the United States. All statements shall correspond to the verified statement made to the Insurance Department.

QUARTERLY STATEMENTS—Brief quarterly statements are required from domestic fire companies and United States branches of foreign companies.

RATE-MAKING ASSOCIATIONS—Every rate-making association or bureau is subject to supervision by the Superintendent of Insurance, and shall be examined at least every three years. Discrimination between risks of essentially the same hazard is forbidden. Schedules of rates and other information must be filed with Superintendent whenever required. Sec. 141, Laws 1913: "Nor shall any such rating organization or any other person, corporation, association or bureau, nor any two or more persons, associations or corporations authorized to transact the business of insurance within this State, acting in agreement, refuse to do business with or to pay commissions to any person who may be licensed or authorized as an insurance broker, pursuant to the provisions of this chapter, because such broker will not agree to secure insurance only at the rates of premium fixed by such rating organization or the parties to such agreement." The former laws were added to in 1913 by Sec. 139, which brings under supervision of Insurance Department all corporations, etc., conducted for the purpose of inspecting risks, adjusting losses, testing appliances, formulating rules or establishing standards for the information or benefit of underwriters. This assists the Insurance Department by widening its scope. Sec. 140. This brings all bodies, maintained for the purpose of assisting underwriters in fixing, applying or maintaining, etc., insurance rates under the department's supervision. Sec. 141. Enlarged the former law by giving to the Superintendent of Insurance the same powers, when examining these organizations, as he possesses when examining insurance companies. There is also better protection given to the insured, with regard to fixing and maintaining rates or schedules of rates. Rate-making organizations are forbidden to charge a fee to brokers for licensing registration, certification or membership.

RECIPROCAL LAW—Ins. Law, Sec. 33. "If, by the existing or future laws of any State, an insurance corporation of this State having agencies in such other State, or the agents thereof, shall be required to make any deposit of securities in such other State for the protection of policyholders or otherwise, or to make payment for taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amount required by this chapter from similar corporations of such other State by the then existing laws of this State, then and in every such case, all insurance corporations of such State, established, or heretofore having established an agency in this State, shall be, and they are hereby, required to make the like deposit for the like purposes in the Insurance Department of this State, and to pay the Superintendent of Insurance for taxes, fines, penalties, certificates of authority, license fees and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such other State upon the insurance corporations of this State and the agents thereof. * * *."

REINSURANCE—Insurance Law, Sec. 22. "Every insurance corporation doing business in this State may reinsure the whole or any part of any policy obligation in any other insurance corporation; provided that if any domestic insurance corporation, other than a life insurance corporation, shall reinsure or determine to reinsure substantially all its risks, such reinsurance shall be submitted in advance to and have the approval of the Superintendent of Insurance. * * *; when a reinsurance agreement is made between other than life insurance corporations the parties to such agreement shall, upon the policies involved, compute their unearned premium fund as follows: The reinsuring or ceding corporation shall, upon the portion of its liability not reinsured, maintain a reserve to be computed in accordance with section 118 of the insurance law; the corporation assuming liability by reinsurance from the corporation issuing the original policy shall maintain a reserve equal to that which the reinsuring corporation would have been required to maintain upon the amount reinsured had it retained the liability ceded by it. No credit of any kind shall be allowed or given either as a reduction of taxes or of liabilities, to any corporation transacting business in this State, for reinsurance made in corporations not authorized to issue policies in this State. The Superintendent of Insurance shall require schedules of reinsurance to be filed by each corporation at the time of making its annual report to the Department." (The amendment which changed the law to read as above given, went into effect July 1, 1910.)

REINSURANCE RESERVE—The unearned premium fund must be maintained at fifty per cent of all premiums on unexpired fire risks having a year or less to run; pro rata for all premiums on unexpired fire risks having more than one year to run; the entire premium on unexpired marine (voyage) risks, and 50 per cent of all premiums on unexpired time marine risks.

RESIDENT AGENTS—No provision.

SEMI-ANNUAL STATEMENTS—In 1908, the Insurance Department began requiring brief quarterly financial statements. (See "Quarterly Statements.")

STANDARD POLICY—The New York standard fire policy form is required to be used. Violations of this statute are punishable by a fine of \$25 to \$100 for the first offense, and \$100 to \$250 for each subsequent offense. Sec. 121. "* * * After the first day of January, 1911, such policy or contract may be printed, written or typewritten with any size of type on any size or shape of paper which shall have the written approval of the Superintendent of Insurance." Sec. 121. "* * * Two or more fire insurance corporations authorized to transact business in this State may issue a combination standard form of policy, using a distinctive title therefor, which title shall appear at the head of such policy, followed by the titles of the several corporations obligated thereupon, and which policy shall be executed by the officers of each of such corporations; provided, that before such corporation shall issue

such combination policy, they shall have received the express permission of the Superintendent of Insurance ~~to issue~~ the same, and the title of such proposed policy and the terms of the additional provisions thereof, hereby authorized, shall have been approved by him, which terms, in addition to the provisions of the standard policy and not inconsistent therewith, shall provide substantially under a separate title therein, to be known as 'Provisions Specially Applicable to this Combination Policy,' as follows: (A) That each corporation executing such policy shall be liable for the full amount of any loss or damage, according to the terms of the policy, or a specific percentage thereof; (B) That service of process, or of any notices required by the said policy upon any of the corporations executing the same, shall be deemed to be service upon all; and provided, further, that the unearned premium liability on each policy so issued shall be maintained by each of such corporations on the basis of the liability of each to the insured thereunder." This was amended in 1913 by Chap. 181, Sec. 121, which makes it possible for the New York Board of Fire Underwriters to submit new riders to the Superintendent of Insurance which, if approved by him, may be attached to the standard policy form. By Sec. 121a, it is required that after June 30, 1913, every standard fire insurance policy shall have attached to it a notice providing that in case of a disagreement of the appraisers selected by companies and assured regarding the appointment of an umpire, either the company or the assured may apply to the court to appoint a competent and disinterested umpire, whose acts shall be binding on both company and assured. Sec. 138-a (1913). The term "public adjuster" in this section shall include every person, partnership, association or corporation advertising, soliciting business or holding himself or itself out to the public as an adjuster of loss or damage by fire, or receiving any compensation or reward for the giving of advice or assistance to the assured in the adjustment of claims for loss or damage by fire, and all persons who for compensation or reward, whether by way of salary or commission or otherwise, solicit business, investigate or adjust losses or advise the assured with reference to claims for loss or damage by fire, on behalf of any other person, partnership, association or corporation engaged in the business of adjusting loss or damage by fire. Each adjuster must procure a certificate of authority and pay an annual fee of \$25.

TAXES—Foreign companies of other countries must pay to the Treasurer of the State, annually, on or before June 1, as a franchise tax, a sum equal to one-half of one per cent on the gross premiums received for business done in the State during the preceding calendar year; domestic companies and Lloyds pay one per cent of premiums. The term "gross premiums" is meant to include, in addition to all other premiums, such premiums as are collected from policies subsequently canceled and from reinsurance. (Tax Law.) Sec. 187. "An annual State tax for the privilege of exercising corporate franchises or for carrying on business in their corporate or

organized capacity within this State equal to one per centum on the gross amount of premiums received during the preceding calendar year for business done at any time in this State, which gross amount of premiums shall include all premiums received during such preceding calendar year on all policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance during such preceding calendar year, and all premiums that are received during such preceding calendar year on all policies, certificates, renewals, policies subsequently canceled, insurance and reinsurance executed, issued or delivered in all years prior to such preceding calendar year, whether such premiums were in the form of money, notes, credits, or any other substitute for money, shall be paid annually into the treasury of the State on or before the first day of June by the following corporations:

1. Every domestic insurance corporation, incorporated, organized or formed under, by or pursuant to a general or special law;

2. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any other State of the United States and doing business in this State, *except* a corporation doing a fire insurance business or a marine insurance business;

3. Every insurance corporation, incorporated, organized or formed under, by or pursuant to the laws of any State without the United States, or of any foreign country, except such a corporation doing a life, health or casualty insurance business, and doing business in this State; but the tax on gross premiums of a corporation so incorporated, organized or formed and doing a fire or marine insurance business within the State shall be equal to five-tenths of one per centum. This section does not apply to a fraternal beneficiary society, order or association, a corporation for the insurance of domestic animals, a town or county cooperative insurance corporation, nor to any corporation subject to the supervision of or required by or in pursuance of law to report to the superintendent of banks; but this section does apply to an individual, or partnership, or association of underwriters known as Lloyds in so far as corporations doing the same kind of insurance business are subject to its provisions. The taxes imposed by this section shall be in addition to all other fees, licenses or taxes imposed by this or any other law, except that in assessing taxes under the reciprocal provisions of section thirty-four of the insurance law, credit shall be allowed for any taxes paid under this section. The term "insurance corporations" as used in this article, shall include a corporation, association, joint-stock company or association, person, society, aggregation or partnership by whatever name known doing an insurance business in this State." Sec. 190. "Every corporation, company or association required by Sec. 187 * * * to pay to the State an annual tax equal to a percentage of its gross premiums * * * for the privilege of exercising its corporate franchise or carrying on its business in such corporate or organized capacity, which shall own any of the bonds of the State of New

York, shall have credited to it annually to apply upon or in lieu of the payment of such tax an amount equal to one per centum of the par value of all such bonds of the State, bearing interest at a rate not exceeding three per centum per annum, owned by such corporation, company, or association and registered in its name, or registered in the name of a public department, a public officer or officers of this State, or of any other State, or of the United States, in trust for such corporation, company or association, on the thirtieth day of June prior to the date when such tax shall become due and payable; provided, however, that there shall in no case be credited to any such corporation, company or association an amount in excess of the amount due to the State from such corporation, company or association for taxes payable to the State under this chapter for the fiscal year for which such credit is given; and further provided that any such credit so allowed under this section shall not bear interest." In assessing taxes under reciprocal law, taxes as above will be credited. Companies must, on or before March 1, make a return to the Comptroller of the State, showing the total amount of premiums received during the year ending December 31, preceding, on business done in the State. Real estate to be taxed where situated for State, city, town, county, village school and other local purposes. Taxes levied upon companies of other States are governed by reciprocal law. In collecting taxes under retaliatory provisions, from fire insurance corporations, the New York Insurance Department allows credit for the amount paid under Sec. 133. See "Fire Department Tax." Companies, associations and individuals not incorporated in New York to insure marine risks, are taxed two per cent on marine premiums, under Sec. 34. Foreign marine companies are not allowed to deduct taxes paid under Sec. 187 of the tax law of New York, when paying tax due under Sec. 34. Credit is allowed for reinsurances in authorized companies liable for the tax, but no credit or deduction shall be allowed on account of such reinsurances where any part of the risk insured against is reinsured in a corporation authorized to effect insurances against fire or in the fire insurance branch of a corporation authorized to effect insurances against both marine and fire risks. Sec. 149-a. "Every mutual fire insurance company or association authorized to do business in this State pursuant to Sec. 149 of this chapter shall, in lieu of all other taxes on premiums, annually, on or before the first day of February of each year, pay a tax of one per centum on all gross premiums or assessments collected or received by it or them for such insurance upon property situate within this State during the preceding year ending the thirty-first day of December to the Superintendent of Insurance, except that any company so authorized to do business in this State which is incorporated under the laws of any other State, which taxes such company therein upon the gross premiums or assessments collected by it less that portion of said gross premiums or assessments returned on policies expired or canceled, shall not be required to pay under this section any different or higher rate, provided, however,

that in no event shall such tax be less than three per centum of the net cost of insurance to the policyholder."

TAX STATEMENTS—Must be filed with Comptroller by March 1, annually. See "Fire Department Tax." Mutual companies of other States, by February 1, under penalty of \$100 per day. Taxes due and payable into the State treasury on or before June 1.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None, except real estate taxes.

MUNICIPAL TAXES AND FEES.

None, except fire department taxes and those on real estate.

ALBANY—Protective department, two per cent of premiums.

BROOKLYN—Fire insurance patrol, one and one-half per cent of premiums.

NEW YORK—Fire patrol, one and one-half per cent of premiums.

NORTH CAROLINA.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters are required to obtain licenses. Adjuster for unauthorized company may be fined \$200 to \$500, and imprisoned six months to two years.

AGENTS DEFINED—Any citizen of the State who solicits, aids or fills out any open policy, certificate or blank or does any act by which an unlicensed company effects insurance in the State is held to be an agent of the company and liable for taxes.

AGENTS' LICENSES—Sec. 4706. "Every agent or adjuster of any insurance company authorized to do business in this State shall be required to obtain annually from the Insurance Commissioner a license under the seal of his office, showing that the company for which he is agent, or proposes to adjust is licensed to do business in this State, and that he is an agent of such company and duly authorized to do business for it." Licenses expire April 1. Penalty for neglecting to exhibit certificate, fine of \$10 or imprisonment for ten days for each offense. Person acting as agent or adjuster without a license is guilty of a misdemeanor, and may be fined \$100 to \$500 for each offense. License required for each member of firm, and for each officer or representative of an agency corporation. Applications for licenses must be made by company or by general agent in the State, or by any agent whose authority for his company to do so is on file in the Insurance Department, and must be signed by the agent himself. The Insurance Commissioner, before issuing a license, must satisfy himself of the character, knowledge of the insurance business to be transacted by him, and moral attainments of the applicant, and that he has not violated the insurance law of the State. Any license may be revoked for misrepresentation. Violation renders agent or adjuster guilty of a misdemeanor and punishable by a fine of from \$200 to \$500, or imprisonment from 1 to 2 years, or both.

ANNUAL STATEMENTS—Required to be filed annually on or before March 1, showing condition as of December 31 preceding. Penalty for rendering untrue statement, revocation of license and \$500 to \$1000 fine. Person refusing to exhibit books, papers or accounts is guilty of a misdemeanor. Penalty for failure to file statement, \$100 for each day's neglect; and license may be suspended during default. No annual statements are required other than those filed with Insurance Commissioner.

ANTI-COINSURANCE—Use of coinsurance clauses forbidden except on written request of assured or his agent, when rates with and without coinsurance shall be furnished, and if owner elects to use coinsurance clause, policy shall be stamped "Coinsurance Contract." It is not per-

missible for an insurance agent or broker to sign an application for his customer.

ANTI-COMPACT—No law forbidding combinations.

ANTI-DISCRIMINATION—See "Rate Schedules to be Filed."

ATTORNEY—The Insurance Commissioner must be appointed attorney on whom service of legal process can be made.

CANCELLATION OF POLICY—"This policy shall be canceled at any time at the request of the insured, or by the company, by giving five days' notice of such cancellation."—Extract from Standard Policy.

CAPITAL REQUIRED—Domestic fire insurance companies must have \$50,000 capital, and stockholders' obligations will not be allowed unless amply secured. Companies of other States must have \$100,000 capital, and \$50,000 additional capital for each additional class of business transacted.

COMMISSIONS TO NON-RESIDENTS—Commissions are payable only to resident agents. Resident agents cannot divide commissions with non-residents, unless the latter are licensed as non-resident brokers, and can then pay only five per cent.

DEPOSIT—Required to be made in bonds of United States, North Carolina or cities or counties of North Carolina, or approved first mortgages on real estate situate in North Carolina as follows: Companies whose capital stock is \$500,000 or less, \$10,000; companies whose capital stock is more than \$500,000 and not over \$1,000,000, \$20,000; companies whose capital stock is in excess of \$1,000,000, \$25,000. Law does not apply to companies licensed to do reinsurance only. Foreign companies are required to have at least \$100,000 on deposit with one of the United States. (Nature of securities not specified.)

DOMESTIC COMPANIES—Ins. Law, Sec. 4727. "The procedure for organizing such a corporation shall be as follows: The proposed incorporators, a majority of whom must be residents of the State, and not less than ten, shall subscribe articles of association setting forth their intention to form a corporation; its proposed name, which must not so closely resemble the name of an existing corporation doing business under the laws of this State as to be likely to mislead the public and must be approved by the Insurance Commissioner; the class of insurance it proposes to transact and on what plan or principle; the place within the State of its location, and, if on the stock plan, the amount of its capital stock. The words 'insurance company' must be a part of the title of any such corporation, and also the word 'mutual,' if it is organized upon the mutual principle.

* * * The Insurance Commissioner, if it appear that the requirements of the law as herein have been complied with, shall certify the fact, and his approval of the certificate, by indorsement thereon. Such certificate shall thereupon be filed by said officers in the office of the Secretary of State, who, upon payment of \$25, shall cause the certificate with the indorsement thereon to be recorded, and shall issue a certificate. * * *

EXAMINATIONS—Each domestic company must be examined as often as

once in three years; and the Commissioner is empowered to make an examination of any such company whenever he deems it prudent to do so, or upon the request of five or more of the stockholders, creditors, policyholders, or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor that company is in an unsound condition. Whenever he deems it prudent he shall also visit and examine or cause to be visited and examined any foreign insurance company applying for admission or already admitted to the State, and such company shall pay the proper charges incurred in such examination. Penalty for refusal to permit or facilitate examination, revocation of license. A company may be examined on request of a citizen, but the latter must give bond for payment of expenses to be borne by such citizen, in case his charges are not sustained.

FEES—License to each fire or marine insurance company, \$200, and if limited to one class of risks, \$100; license to each domestic mutual insurance company, \$50; annual fees, \$10, including license issued to each general agent (\$5), seal (\$1), filing application for license (\$1), and certificate of qualification and seal, known as State license (\$3), license to each special or district agent or manager, non-resident broker or organizer, including seal, \$3; license to each local or canvassing agent, \$1, including seal (for each member of firm); filing and examining statement preliminary to admission, \$20; filing and auditing annual statement, \$10; filing any other paper required by law, \$1; for each certificate of examination, condition or qualification of company or association, \$2; for each seal when required, \$1; for making abstract of financial statement, \$4; service of process upon Commissioner as attorney, \$1; for each examination of domestic company, \$25, and for each examination of foreign company, \$50, for the State, and in addition, as fees to the Commissioner, for examination of any foreign company, \$25 per diem, and all expenses, and for examining any domestic company, actual expenses incurred; for copy of any record or paper, 10 cents per copy sheet and \$1 for certifying same; cost of publication, \$9; adjusters' licenses, \$10 (expires April 1). Companies with one-quarter of its assets owned as prescribed under Taxes, pay one-half license fee; companies with three-quarters of its assets owned as prescribed, pay one-quarter of license fee. Fees are payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—A fire department tax of one-half of one per cent is levied in each city and town having \$1000 worth of fire-fighting apparatus, and enforcing the building and inspection laws to the satisfaction of the Insurance Commissioner. No fire department tax is levied upon companies investing three-fourths of their capital in North Carolina or in North Carolina securities.

FIRE MARSHAL—Insurance Law, Sec. 4818. "The Insurance Commissioner and the chief of the fire department, or chief of police, where no chief of fire department, in cities and towns, and the sheriff of the

county where such fire occurs outside of an incorporated city or town are hereby authorized to investigate the cause, origin and circumstances of every fire occurring in such cities or towns or counties in which property has been destroyed or damaged, and shall specially make investigation whether such fire was the result of carelessness or design. * * *

Expenses now paid by license fees collected of fire insurance companies. The Insurance Law, Secs. 4815-4816, requires the authorities to appoint chiefs of fire departments in all towns where none exist, and town authorities are required to remunerate such chiefs. The latter act also as inspectors of buildings, where no such officers have been appointed. The law also requires the establishment of fire limits; prescribes building regulations; provides for quarterly inspection of buildings within fire limits and annual inspections of others, and in the proper care of stoves, ashes, waste, etc. Fire losses must be reported by company directly or through an approved bureau, and losses must not be paid until one week after such report.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

GENERAL PENALTIES—Ins. Law, Sec. 4703. "The authority of a foreign insurance company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it * * *" Sec. 3484. "For violation of any provision of this act, the penalty whereof is not especially provided for herein, the offender shall be punished by a fine of not more than \$500." A company may be fined \$10 for not reporting losses as they occur to the Insurance Commissioner.

IMPAIRMENT—Ins. Law, Sec. 4733. "When the net assets of a company do not amount to more than three-fourths of its original capital, it may make good its capital to the original amount by assessment of its stock. Shares on which such an assessment is not paid within sixty days after demand shall be forfeitable, and may be canceled by vote of the directors, and new shares issued to make up the deficiency. If such company shall not within three months after notice from the Insurance Commissioner to that effect make good its capital as aforesaid, or reduce the same as allowed, its authority to transact new business of insurance shall be revoked by said Commissioner." Sec. 4704. "The authority of a foreign company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it, and whenever, in the opinion of the Insurance Commissioner, its condition is unsound, or its assets above its liabilities, as provided in Sec. 67, are less than the amount of its original capital or required unimpaired funds." Sec. 4705 prescribes the method of computing reinsurance reserve. Mutual companies must assess to make good impairments.

INTER-INSURERS—See "Lloyds."

INVESTMENTS PRESCRIBED—The capital of domestic companies and the deposit required from foreign companies authorized to transact business in the State must be composed of bonds of the United States or of any of the

States whose bonds do not sell at less than par, or in first mortgages on real estate in the State or in bonds or notes of any city, county or town of the State whose net indebtedness does not exceed five per cent of the last preceding valuation of the property therein for the purpose of taxation. Domestic companies may acquire and hold real estate for the convenient accommodation of their business at a cost not exceeding twenty-five per cent of their cash assets, but may hold real estate under the conditions of any mortgage owned or by purchase or set-off on execution upon judgment for debts due in the course of legitimate business. A company having more than \$100,000 capital may, with the consent of the Insurance Commissioner, invest the balance over \$100,000 in such safe manner as may be approved by the Commissioner.

LICENSED BROKERS—Ins. Law, Sec. 4769. "The Insurance Commissioner, upon the annual payment of a fee of \$20, may issue licenses to citizens of this State, subject to revocation at any time, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. Before the person named in such a license shall procure any insurance in such companies or on any property in this State, he shall, in every case, execute and file with the Insurance Commissioner an affidavit that he is unable to procure in companies admitted to do business in this State the amount of insurance necessary to protect said property, and shall only procure insurance under such license after he has procured insurance in companies admitted to do business in this State to the full amount which said companies are willing to write on said property; provided, that such licensed person shall not be required to offer any portion of such insurance to any company which is not possessed of cash assets amounting to at least \$25,000, or one which has, within the preceding twelve months, been in an impaired condition. Each person so licensed shall keep a separate account of the business done under the license, a certified copy of which account he shall forthwith file with the Insurance Commissioner, showing the exact amount of such insurance placed by any person, firm, or corporation, the gross premiums charged thereon, the companies in which the same is placed, the date of the policies and the terms thereof, and also a report in the same detail of all such policies canceled and the gross return premiums thereon, and before receiving such license shall execute and deliver to the treasurer a bond in the penal sum of \$1000, with such sureties as the treasurer shall approve, with a condition that the licensee will faithfully comply with all the requirements of this section, and will file with the treasurer, in January of each year, a sworn statement of the gross premiums charged for insurance procured or placed, and the gross return premiums on such insurance canceled under such license during the year ending on the thirty-first day of December next preceding, and at the time of filing such statement will pay into the treasury of the State a sum equal to five per cent of such gross premiums, less such return premiums so re-

reported." Brokers are held to be agents of the insurance companies whose policies they procure. Fraudulent representations made knowingly are punishable by fine of \$100 to \$500, or imprisonment for not exceeding one year. Brokers shall be personally liable for policies procured from unlicensed companies. Penalty for neglecting to file affidavits and statements required, forfeiture of license, and fine of \$100 to \$500, or by imprisonment for not more than one year, or both. Under Sec. 4769 brokers are permitted to insure mills in outside mutual companies upon filing papers with the Insurance Commissioner and paying license fees and taxes for each of such companies. By Sec. 4766, the resident agents' law, the Insurance Commissioner is authorized to license (fee \$3) a non-resident as a broker, after receiving a proper application and an affidavit that such non-resident will not, during the fiscal year, place, directly or indirectly, any fire insurance on property located in North Carolina except through a licensed resident agent.

LIMIT ON A SINGLE RISK—Mutual companies, one-tenth of net assets; stock companies, 10 per cent of net assets; insurance shall not be written in excess of fair value of property, nor for a longer term than seven years.

LLOYDS—Chap. 183, Laws 1913. Sec. 1. Insurance Laws. "Individuals, partnerships and corporations of this State, hereby designated as subscribers, are hereby authorized to exchange reciprocal or inter-insurance contracts with each other, or with individuals, partnerships and corporations of other States and countries, providing indemnity among themselves from any loss which may be insured against under other provisions of the laws." Contracts executed by an attorney in fact. Statement must be filed with Insurance Commissioner showing applications for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Deposit required with attorney, \$25,000. Sec. 7. There shall at all times be maintained as a reserve a sum in cash or convertible securities equal to 50 per cent of the aggregate net annual deposits collected and credited to the accounts of the subscribers on policies having one year or less to run and pro rata on those for longer periods. Annual license, \$50, and a tax of 2½ per cent of gross premium deposits, "reduced by all sums distributed among the subscribers or creditors to their accounts." Also other regular fees. Violation of any of the provisions subject to a fine of from \$100 to \$500.

MISCELLANEOUS—Ins. Law, Sec. 4756. "When buildings insured against loss by fire and situated within this State are totally destroyed by fire, the company shall not be liable beyond the actual cash value of the insured property at the time of the loss or damage; and if it shall appear that the insured has paid premium on a sum in excess of said actual value, the assured shall be reimbursed the proportionate excess of premium paid on the difference between the amount named in the policy and the ascertained value, with interest at six per centum per annum from the date of issue. Every insurance company transacting business in this State shall, upon receiving

notice of loss by fire of property in North Carolina, on which it is liable under a policy of insurance, forthwith notify the Insurance Commissioner thereof, and no insurance upon any such property shall be paid by any company until one week after such notification." Every insurance company is required to transact its business under its own corporate name. Domestic companies are forbidden to embody in their policies any stipulation concerning the court in which suits may be brought, nor shall they limit the time in which suit may be begun to less than one year after the cause of action accrues. A license shall be refused any company forbidden by the laws of its own State or country, or by its charter, from investing its assets other than capital in bonds of the State of North Carolina. Submission of a fire loss to arbitration constitutes a waiver of the right to rebuild. A law was enacted in 1905 providing that it shall be unlawful for any fire insurance company doing business in the State to enter into, make or maintain any stipulation or agreement in restraint of or limiting the compensation which an agent may receive from any other fire insurance company, association or partnership, under a penalty of a fine of not less than \$250 nor more than \$500, and the forfeiture of license to do business in the State for a period of twelve months thereafter. An amendment in 1915 makes it unlawful to agree to forbid reinsurance of risks of a domestic company by a company holding membership in or co-operating with a bureau or board. Blank proofs of loss, in duplicate, must be furnished to the insured, from whom a written statement of loss is required. The iron safe clause shall not apply in settling losses on buildings, furniture and fixtures. Sec. 4805 provides that a license is required before foreign corporations can sell stocks, bonds or other contracts in North Carolina. Amendment in 1913 provides for a stricter supervision of the sale of stock and advertisements pertaining to new and untried companies. No policy shall be void because of failure to give notice to company of mortgage or deed of trust, except during life of such mortgage or deed of trust. Adjusters must be licensed. Every agent of a fire insurance company shall, before issuing a policy of insurance on property situated in a city or town, inspect the same, informing himself as to its value and insurable condition. The institution of a suit in a Federal court or the removal of a case thereto by an insurance company is subject to the penalty of revocation of license.

MUTUAL COMPANIES—Ins. Law, Sec. 4738. "No policy shall be issued by a purely mutual fire insurance company hereafter organized, nor by a mutual fire insurance company with a guaranty capital of less than \$50,000, until not less than \$200,000 of insurance, in not less than 200 separate risks upon property located in North Carolina has been subscribed for and entered on its books. * * * No policy shall be issued under this section until the president and the secretary of the company shall have certified under oath that each and every subscription for insurance in the list presented to the Insurance Commissioner for approval is genuine, and

made with an agreement with each and every subscriber for insurance that he will take the policies subscribed for by him within thirty days after the granting of a license to the company by the Insurance Commissioner to issue policies." When members of an association are engaged in the same line of business only fifty separate risks need be pledged. A false oath in connection with certificate is punishable as perjury. Companies may be formed to operate in not more than two counties with a minimum of \$25,000 in risks, owned by not less than twenty-five adult residents of such counties. Mutual companies may be formed with a guaranty capital of from \$25,000 to \$200,000, upon which $3\frac{1}{2}$ per cent may be paid semi-annually, if earned. "The guaranty capital or surplus shall be applied to the payment of losses only when the company has exhausted its cash in hand, and the invested assets, exclusive of uncollected premiums, and when thus impaired, the directors may make good the whole or any part of it by assessments upon the contingent funds of the company at the date of such impairment." Provision is made for the reduction or abolition of guaranty funds. Penalty for guaranteeing a policyholder against assessment, fine of not exceeding \$100 for each offense. Every mutual company must keep in its treasury at least one assessment sufficient to pay one average loss.

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a copy of its charter and a verified statement of its standing and financial condition on December 31 preceding; also an affidavit of the president of the company that it has not written policies upon property located in the State except through its regularly commissioned and licensed agents located in the State, or otherwise violated the insurance law during the preceding year. Foreign companies must also file a certified copy of charter or deed of settlement; certificate of deposit, and appointment of general agent. Certificate of compliance with laws of company's home State required with statement. Total fees on admission, in addition to license, \$44 for all companies except fire, for which the total is \$45, and only paid once (includes abstract and publication fees).

PUBLICATION—An abstract of each annual statement must be published in one newspaper by the Insurance Commissioner at an expense to the respective companies of \$9 each. When a company publishes its assets, it must also publish its liabilities, and any publication purporting to show capital must only show the amount paid up. Penalty for violation of latter requirement, fine of \$50 to \$200.

RATE-MAKING ASSOCIATIONS—Sec. 1. Every corporation, association, board or bureau which now exists or hereafter may be formed, and every person who maintains, or hereafter may maintain, a bureau or office for the purpose of suggesting, approving or making rates to be used by more than one underwriter for insurance, including surety bonds, on property or risks of any kind located in this State, shall file with the Insurance Commissioner a copy of the articles of agreement, association or incorpo-

not reinsure risks taken by an unlicensed company, and states that he will promptly cancel the license of a company doing so.

REINSURANCE RESERVE—Insurance Law, Sec. 4704. “* * * The actual unearned portion of the premiums written in its policies.”

RESIDENT AGENTS—Ins. Law, Sec. 4746. “Foreign insurance companies, upon complying with the conditions set forth, applicable to such companies, may be admitted to transact in this State by constituted agents resident therein, any class of insurance authorized by the laws now or hereafter in force relative to the duties, obligations, prohibition, and penalties of insurance companies, and subject to all the laws applicable to the transaction of such business by foreign insurance companies and their agents.” Agents are forbidden to sign blank policies, under a penalty of \$100 to \$200 for each offense. A condition of admission is that a “foreign” company “shall appoint as its agent or agents in the State some resident or residents thereof.” Insurance Laws, Sec. 4764. “That foreign fire insurance companies legally authorized to do business in this State through regularly commissioned and licensed agents located in this State, shall not make contracts of fire insurance on property herein save through such resident agents as are regularly commissioned by them and licensed to write policies of fire insurance in this State. No provision of this section is intended to do or shall apply to direct insurance covering the rolling stock of railroad corporations or property in transit while in the possession and custody of railroad corporations or other common carriers.” Insurance Laws, Sec. 4765, provides that “every fire insurance company authorized to do business in the State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation who is a non-resident of this State to issue or cause to be issued except through a licensed agent any policy of insurance on property located in this State.” Sec. 4766. “Any person, agent, firm or corporation licensed by the Insurance Commissioner to act as a fire insurance agent in this State is hereby prohibited from paying directly or indirectly any commission, brokerage, or other valuable consideration on account of any policy covering property in this State, to any person, agent, firm or corporation who is non-resident of this State, or to any person, agent, firm or corporation not duly licensed by the Insurance Commissioner as a fire insurance agent.” The law passed in 1905 allowed a resident agent to pay not exceeding five per centum of any premium to a licensed non-resident broker. Penalty for first violation, revocation of license for three to six months; for second violation, revocation of license for one year. Every policy issued in North Carolina must be countersigned by a licensed resident agent of the company issuing it.

SEMI-ANNUAL STATEMENTS—See “Tax Statements.”

STANDARD POLICY—The standard form of policy recommended by the National Convention of Insurance Commissioners has been in use since January 1, 1916. See “Miscellaneous.” Penalty for violations, \$50 to \$200 for each offense, but policy will be binding upon the company.

Standard policy in size to fit typewriter may be used. Basis rate, deficiency charge, credit for improvements and rate at which written must be written or stamped upon each policy; and when rates are changed property-owners must be informed of details, which must also be filed with Insurance Department. Before issuing a policy on property in a city or town, an agent must inspect the property to be insured, informing himself as to its value and insurable condition.

TAXES—Chap. 285, Sec. 67, Laws 1915 "All of said companies shall pay a tax of two and one-half per centum upon the amount of their gross receipts in this State; provided, that if any general agent shall file with the Insurance Commissioner a sworn statement showing that at least one-fourth of the entire assets of his company, when his company has assets, are invested in and are maintained in any or all of the following securities or property, viz.: Bonds of this State or of any county, city or town of this State, or any property situate in this State and taxable therein, then the tax shall be one per centum upon the gross receipts aforesaid, and the license fee shall be one-half of that named above; and if the amount so invested shall be three-fourths of the total assets the tax shall be one-quarter of one per centum, and the license fee one-fourth of that named above."

* * * "No county or corporation shall be allowed to impose an additional tax, license or fee." Tax is payable to Insurance Commissioner. A tax of five per cent on gross premiums on risks placed by citizens or licensed brokers in unauthorized companies is imposed. Five per cent of premiums paid direct by the insured to unlicensed companies must be withheld and remitted to the Insurance Commissioner See "Fire Department Tax."

TAX STATEMENTS—Must be filed within the first thirty days of January and July in each year. Fire Department tax statements must be filed annually, within sixty days after December 31, of all premiums received during the year in each town in which the tax is payable. Tax is payable within seventy-five days after December 31, to the Insurance Commissioner.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

NORTH DAKOTA.

STATE REQUIREMENTS.

AGENTS DEFINED—Law of 1903, Chap. 112, Sec. 1. "Whoever solicits insurance on behalf of any insurance corporation or person desiring insurance of any kind, or transmits an application for a policy of insurance, other than for himself, to or from any such corporation, or who makes any contract for insurance, or collects any premiums for insurance, or in any manner aids or assists in doing either, or in transacting any business of like nature for any insurance corporation, or advertising to do any such thing, shall be held to be an agent of such corporation to all intents and purposes, unless it can be shown that he receives no compensation for such services." Penalty for acting as agent without license, fine of \$50 to \$500 for each offense.

AGENTS' LICENSES—Revised Code, Chap. 14, Sec. 3124. "No agent shall act for any insurance company, directly or indirectly, in taking risks or transacting the business of insurance without procuring from the Commissioner of Insurance a certificate of authority stating that such corporation or company has complied with all the requisites of this chapter." Certificates must be renewed annually April 1. License required for each member of firm or agency corporation as the department does not issue licenses in the name of any firm or corporation. Applications for licenses must be made by companies. An officer of a company shall obtain an agent's license if he solicits insurance.

ANNUAL STATEMENTS—Must be filed not later than March 1 each year for year ending December 31 preceding. Penalty for not filing statement required, \$100 for each day's neglect; for wilfully making false statement, \$500 to \$1000. No annual statements required other than those filed with Insurance Department.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—No restriction upon co-operation.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Commissioner of Insurance must be appointed attorney to accept service of legal process.

CANCELLATION OF POLICY—Covered by standard policy form. Policies may be canceled on five days' notice, at short rates by insured or pro rata by company. Short-rate table coincides with "Western Union" table, except for six months' period in annual table, which is 67 per cent.

CAPITAL REQUIRED—Company must possess actual cash capital to the amount of \$100,000; exclusive of losses reported, taxes, expenses and re-insurance reserve.

COMMISSIONS TO NON-RESIDENTS—Commissions must be paid to resident agents.

DEPOSIT—None required. Foreign company must file certificate from official of the State in which deposit is made that a stipulated sum has been deposited in that State.

DOMESTIC COMPANIES—Revised Code, Chap. 14, Sec. 3087. "Any number of persons, not less than seven, may form a corporation to carry on the business of insurance, either upon the stock or mutual plan, against loss or damage by fire, lightning, cyclone, tornado or hail, or the risks of inland navigation and transportation or to make insurance upon the lives of persons and every insurance pertaining thereto, and against accidental injuries, including the granting, purchasing and paying of annuities and indemnities, and to transact fidelity insurance and corporate suretyship. An insurance company incorporated under the provisions of this chapter shall have power to make insurance of any kind hereinbefore mentioned which shall have been expressed in its articles of incorporation." Revised Code, Chap. 14, Sec. 3088. "The articles of incorporation shall set forth in addition to what is required to be set forth in Chap. 11, Sec. 2861, as follows: 'The name of the corporation; the purpose for which it is founded; the place where its principal business is to be transacted; the term for which it is to exist; the number of its directors or trustees, and names and residences of those who are to serve until their successors are elected and qualified; if there is a capital stock, its amount and the number of shares into which it is divided; the kind of insurance proposed to be made, and whether on the stock or mutual plan; the period for the commencement and termination of its fiscal year, and the period for which it is incorporated, not to exceed thirty years, and shall be filed in the office of the Commissioner of Insurance.' " Minimum capital stock, \$100,000, of which \$25,000 must be paid in before company begins business, and the balance within twelve months after filing articles of incorporation; except that time may be extended not exceeding one year by the Commissioner for good cause. State Bank Examiner has supervision over promotions.

EXAMINATIONS—Revised Code, Chap. 14, Sec. 3125. "Before granting certificates of authority to an insurance company to issue policies or make contracts of insurance the Commissioner of Insurance shall be satisfied by such examination and evidence as he sees fit to make, and require that such company is duly qualified under the laws of the State to transact business therein. As often as once in two years he shall personally, or by his deputy or chief clerk, visit each domestic insurance company and thoroughly inspect and examine its affairs, especially as to its financial condition and ability to fulfil its obligations, and whether it has complied with the law. He shall also make an examination of any such company whenever he deems it prudent to do so, or upon the request of five or more of the stockholders, creditors, policyholders or persons pecuniarily interested therein, who shall make affidavit of their belief, with specifications of their reasons therefor, that such company is in an unsound condition. Whenever he deems it prudent for the protection of the policyholders in this State he shall in like

manner visit and examine, or cause to be visited or examined by some competent person appointed by him for that purpose, any foreign insurance company applying for admission, or already admitted, to do business by agencies in this State, and such company shall pay the proper charges incurred in such examination, including the expense of the Commissioner or his deputy."

FEES—For filing declaration and charter, \$25; for filing annual statement, \$10; for each certificate of authority, \$2; for each abstract for publication, \$2; for each agents' license (only one individual to be included in each certificate), \$2; for each process served upon the Commissioner, \$2; for copies of papers, 25 cents per folio, and for affixing seal thereto, \$1; for official examinations each company shall pay the proper charges incurred in such examination, including the expense of the Commissioner and his deputy. Fees are payable to Commissioner of Insurance.

FIRE DEPARTMENT TAX—A tax of two per centum on premiums received in cities and towns having standard fire departments is imposed for the support of the latter, but this is included in the $2\frac{1}{2}$ per cent tax on gross premiums.

FIRE MARSHAL—A State Fire Marshal, with the co-operation of local authorities, investigates all fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Must be filed by December 1, covering the preceding calendar year.

GENERAL PENALTIES—For offenses for which no penalty is specifically provided, \$100 to \$500. License is revoked on failure to pay judgment.

IMPAIRMENT—Revised Code, Chap. 14, Sec. 3099. "Whenever it appears to the Commissioner of Insurance that the capital of a domestic company is impaired to the extent of one-fourth or more on the basis fixed in Sec. 3095, he shall notify the company that its capital is legally subject to be made good in the mode provided by Sec. 3100, and if such company shall not, within three months after such notice, satisfy him that it has fully repaired its capital, or reduced its capital as provided in Sec. 3101, he shall institute proceedings against it in accordance with Sec. 3128." Sec. 3128. "If the Commissioner of Insurance is of the opinion upon examination or other evidence that a foreign insurance company is in an unsound condition, or if it has failed to comply with the law, or if it, its officers or agents, refuse to submit to examination, or to perform any legal obligation in relation thereto, or if a life insurance company, that its actual funds, exclusive of capital, are less than its liabilities, he shall revoke or suspend all certificates of authority granted to it or its agents, and shall cause notifications thereof to be published three times, once in each week for three successive weeks in some newspaper published at the seat of the Government, and no new business shall thereafter be done by it or its agents in this State while such default or disability continues, nor until its authority to do business is restored by the Commissioner. If upon examination he is of the opinion that any domestic insurance company is insolvent or has exceeded its powers or has

failed to comply with any provisions of law, or that its condition is such as to render its further proceedings hazardous to the public or its policyholders, he shall apply to the district court of the county in which the principal office of the company is located to issue an injunction restraining it, in whole or in part, from further proceeding with its business."

INVESTMENTS PRESCRIBED—A domestic company may invest its capital and funds or any part thereof in bonds or treasury notes of the United States or in bonds of the State or in bonds of any county or incorporated city in the State authorized to be issued by the legislative assembly, and may loan such capital and funds or any part thereof on the security of such bonds, notes or upon bonds or mortgages on improved unencumbered real estate within the State worth double the amount loaned thereon; but the surplus moneys over and above the capital stock of such insurance companies may be invested in or loaned upon the pledge of bonds of the United States or of any of the States, or stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of the United States except its own stock, provided always that the market value of above evidences of indebtedness shall be at all times during the continuance of such loan at least ten per cent more than the amount loaned thereon.

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital, exclusive of any guaranty, surplus, or special reserve fund, unless the excess shall be reinsured in some other good reliable company.

LLOYDS—No provision. The word "company" in the law is defined as including all corporations, associations, partnerships or individuals engaged as principals in the business of insurance.

MUTUAL COMPANIES—Must have subscriptions for \$200,000 or more of insurance (if a domestic company) upon one hundred risks. County mutuals may be formed by fifty persons in not more than ten counties, owning \$100,000 of property which they desire to insure, or by twenty-five persons in one county, owning \$25,000 of property. Other State mutuals must have at least \$200,000 of insurance in force.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner of Insurance certified copy of its charter and by-laws, power of attorney to Commissioner of Insurance, and a statement showing its financial condition.

PUBLICATION—Statements for publication made out on blanks furnished by the Commissioner of Insurance, together with the certificate of authority of the Commissioner, must be published at least three times in a newspaper of general circulation printed and published in each judicial district of the State in which the company has an agency. Commissioner of Insurance selects three newspapers in each judicial district, from which company selects one. Cost of publication, authorized rate for legal notices. A mutual company must publish statement once in county in which it does business. Proof of publication must be filed with the Insurance Commis-

sioner within four months from the time of filing of annual statement. Approved bills, accompanied by publishers' affidavits, are sent to companies by the Insurance Department.

RECIPROCAL LAW—Revised Code, Chap. 14, Sec. 3133. "Whenever the laws of any other State of the United States or foreign country shall require of insurance companies incorporated under the laws of this State, or of the agent thereof, any deposits of securities in such State for the protection of policyholders or otherwise, or any payment for taxes, fines, penalties, certificate of authority, license or fees greater than the amount required for such purpose from similar companies of other States by the then existing laws of this State, then and in every such case, all insurance companies of such States establishing or having heretofore established an agency in this State, shall be and are hereby required to make the same deposit for a like purpose with the State Treasurer of this State, and to pay to the Commissioner of Insurance an amount equal to the amount of such charges and payment imposed by the laws of such other States upon the companies of this State and the agents thereof."

REINSURANCE—Act of February, 1901, Sec. 2. "No fire insurance company or association shall reinsure, or assume as a reinsuring company, or otherwise, in any manner or form whatever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Penalty for violation, \$500 for each offense, and for failure to pay fine, license shall be revoked until payment is made. The Insurance Commissioner rules that the acceptance of reinsurance of risks on North Dakota property by authorized companies from those which are not authorized, is illegal, but that a licensed company may reinsure its excess lines in an unauthorized company for the reason that no credit is given an authorized company for reinsurance given off, in arriving at the amount of premium income for taxation, and the admitted company is held responsible. Companies are not required to report premiums received from other companies on account of reinsurance.

REINSURANCE RESERVE—Must be maintained at forty per cent of unexpired premiums.

RESIDENT AGENTS—Act of February, 1901, Sec. 1. "No insurance company or association not incorporated under the laws of this State, authorized to transact business therein, shall make, write, place or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State except after the said risk has been approved, in writing, by an agent who is a resident of this State, regularly commissioned and licensed to transact insurance business therein, who shall countersign all policies so issued and make a record of the same on books provided for that purpose and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required

by law to be paid on the premiums collected for insurance on all property located in the State, and the agents be paid the commission thereon. Nothing in this act shall be construed to prevent any such insurance company or association, authorized to transact business in this State from issuing policies at its principal or department offices covering property in this State, provided that such policies are issued upon applications procured and submitted to such company by agents who are residents of this State, and licensed to transact the business of insurance herein, and who shall countersign all policies so issued and receive the commission thereon when paid; provided, no provision of this section is intended to or shall apply to direct insurance covering the rolling stock of railroad corporations or property in transit, while in the possession and custody of railroad corporations or other common carriers, nor to the movable property of such common carriers used or employed by them in their business as common carriers of freight, merchandise or passengers." Penalty for violation, \$500 for each offense, and for failure to pay fine, license shall be revoked until payment is made. It is ruled that it is a violation of law for a non-resident agent to be connected in any way with the writing of insurance on North Dakota property or for a company to have policies signed in blank by a resident agent, etc.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY.—The use of a standard policy form similar to that of New York is required. Penalty for using other than standard form, \$50 to \$100 for first, and \$100 to \$250 for each subsequent offense. See "Valued Policy." Clause covering loss or damage by explosion, when fire does not ensue, cannot be attached to a fire policy, under a ruling of the Insurance Department.

TAXES—Two and one-half per cent of the gross premiums received in the State during the preceding year, less return premiums and cancellations and reinsurance premiums received from admitted companies, to be paid before renewal of certificates. Fire Marshal tax is levied on domestic stock and mutual fire companies to an amount of $\frac{1}{2}$ per cent on gross premiums and assessments, less return premiums on all direct business. No local taxes. Tax is payable to Commissioner of Insurance.

TAX STATEMENTS—Must be filed by March 1. Fire department tax returns are included in annual statements.

VALUED POLICY—Law of 1907, Sec. 1. "Whenever any policy of insurance shall be written to insure any real property in this State against loss by fire, and that property insured shall be destroyed without fraud on the part of the insured or his assigns, the amount stated of the insurance written in such policy shall be taken conclusively to be the true value of the property insured." Sec. 2. "All acts and parts of acts in conflict with the provisions of this act are hereby repealed." The Attorney-General holds that this law is constitutional; that it does not conflict with the Standard Policy law, simply making the amount stated in the policy con-

clusive evidence of the value of the insured property; that there is nothing in the law which prohibits the company from making an agreement with the insured that in case of loss he would accept a certain portion of the actual value of the property; and that it is lawful for a company to attach a three-fourths value clause to a policy, as this law simply makes the amount stated in the policy conclusive as to the value of the insured property.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

OHIO.*

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 9586. "A person who solicits insurance and procures the application therefor, shall be held to be the agent of the party, company or association thereafter issuing a policy upon such application or renewal thereof, anything in the application or policy to the contrary notwithstanding."

AGENTS' LICENSES—Agents must procure licenses, which expire on the first day of March next after they are issued. Firms are licensed the same as individuals, and at equal cost. Corporations may be licensed as agents, but each officer and agent of the agency corporation transacting insurance, and also such corporation, must have separate license, for each of which separate fee is charged.

ANNUAL STATEMENTS—Must be filed within thirty days after January 1, showing the condition as of December 31 next preceding. No annual statements are required other than those filed with Insurance Department.

ANTI-COINSURANCE—The anti-coinsurance law was repealed in 1902. This repeal does not affect the provisions of the valued policy law, which applies to insurance on buildings and structures, and requires, in event of total loss, payment in full of the amount named in the policy; or, in case of partial loss, the full amount of the partial loss.

ANTI-COMPACT—Sec. 9563. "If such company, association or partnership doing business in this State makes an application for a change of venue, or to remove a suit begun in a court therein in which it has been sued by a citizen of this State, to the United States District or Circuit Court, or to any Federal Court, or enters into any compact or combination with other insurance companies, or requires its agents to enter into any compact or combination with other insurance agents or companies, for the purpose of controlling the rates charged for fire insurance on property in the State, or for the purpose of controlling the rates per cent amount of commission or compensation to be allowed agents for procuring contracts for such insurance on such property, the Superintendent of Insurance forthwith shall revoke and recall the license to it to do business in this State, and no renewal thereof shall be granted for three years after its revocation; such company, association or partnership also shall be prohibited from transacting any business in this State until again duly licensed and authorized." Sec. 9564. "Nothing in the preceding section shall prevent one or more of such companies from employing a common agent or agents to supervise defective structures, or advise respecting them, and to suggest improvements for lessening their fire hazards or to advise as to the relative value of such risks."

*Sectional numbers are the same as the General Code of Ohio.

ANTI-REBATE—No fire insurance company doing business in Ohio, or any officer, agent, solicitor or representative thereof, shall pay, allow or give, or offer to pay, allow or give, directly or indirectly, as an inducement to purchase fire insurance, any rebate of premiums payable on the policies or any special favor or advantage or any benefit to accrue thereon, or any payment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the policy contract of insurance. The receipt of such gifts or emoluments is also prohibited. Penalty for violation, heavy fine or imprisonment.

ATTORNEY—A stipulation must be filed with the Superintendent of Insurance by other than Ohio companies, providing that service of legal process upon any agent of the company in the State shall be valid.

CANCELLATION OF POLICY—Policy form must contain provision for cancellation "at any time, upon the written request of the person insured." Short rates may be retained by company on cancellation by insured of cash policy; and the holder of a mutual policy must pay his proportion of losses occurring before receipt of policy for cancellation before his note can be surrendered to him.

CAPITAL REQUIRED—Stock company must have at least \$100,000 paid-up capital.

COMMISSIONS TO NON-RESIDENTS—Payment of brokerage to non-resident is not permitted.

DEPOSIT—Sec. 9565. "A company incorporated by or organized under the laws of a foreign government shall deposit with the Superintendent of Insurance, for the benefit and security of its policyholders residing in the United States, a sum not less than \$100,000 in stocks or bonds of the United States, or the State of Ohio, or any municipality or county thereof, which shall not be received by the Superintendent at a rate above their par value. * * *

DOMESTIC COMPANIES—Sec. 9512. "The articles of incorporation of a company formed for the purpose of insurance, other than life insurance, must be forwarded to the Secretary of State, who shall submit the same to the Attorney-General for examination, and if found by him to be in accordance with the provisions of this chapter, and not inconsistent with the constitution and laws of this State and of the United States, shall certify and deliver back the same to the Secretary, who may reject any name or title of any company applied for when he deems the same similar to one already appropriated, or likely to mislead the public." Sec. 9513. "Upon the approval of the articles by the Attorney-General and the Secretary of State, the Secretary shall cause the same to be recorded and copied in the same manner as is provided in the preceding chapter, and a copy thereof to be deposited with the Superintendent of Insurance, who shall withhold from the company the certificate of authority if its name is so similar to the name of any other company as to mislead the public." Sec. 9524. "Except as hereinafter provided, no joint stock insurance company

shall be organized under this chapter, or permitted to do business in this State, with a less capital than \$100,000, which must be fully paid up before the company shall be entitled to transact business. But on the payment of twenty-five per cent of its capital stock a live stock company may do business.

EXAMINATIONS—Sec. 625. "The Superintendent, or a person appointed by him for that purpose, may make an examination into the affairs of any insurance company doing business in this State, such company, its officers and agents shall submit their books and business to such examination, and in every way facilitate it. * * * * The actual expenses incurred by such examinations shall be paid by the State Treasurer on the warrant of the State Auditor upon the certificate of the Superintendent of Insurance; provided that, when any examination is made upon the demand of the company therefor, the expenses of the same shall be paid by the company; and provided further, that, when, by the laws of any other State, district, territory or nation, examinations of companies of this State are required or permitted to be made by the Insurance Department or other authority of such State, district, territory or nation, at the expense of such companies, then the expenses of all examinations made by the Insurance Department of this State of all companies of such State, district, territory or nation shall be respectively charged to and collected from the company so examined." A mutual fire association may be examined by an appointee of the Court of Common Pleas on application of one interested party, in which case a refusal to permit examination is deemed contempt of court.

FEES—For filing charter, \$25; for filing annual statement, \$20; for each certificate of authority or license to company, \$2; for each agent's license (firms are treated as individuals), \$2; copy of papers on file, 20 cents per folio; certifying same, \$1; for agent's compliance (one for each county in which there is an agent) for publication, \$1; for license to procure insurance in unauthorized companies, \$10; for collection of interest on deposits of companies of foreign governments, \$25 per \$100,000. The foregoing fees are payable to the Superintendent of Insurance; county recorder's filing fee, 10 cents. Reciprocal provision.

FIRE DEPARTMENT TAX—None.

FIRE MARSHAL—A State fire marshal, with the co-operation of local authorities, investigates all fires. A tax for the support of this department is levied on domestic and foreign fire insurance companies. See "Taxes."

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Required to be filed by January 31.

GENERAL PENALTY—Sec. 672. "Whoever violates any provision herein relating to the Superintendent of Insurance or any provision of an insurance law of this State, for the violation of which no penalty is elsewhere provided, shall be fined not more than \$1000 or imprisoned not more than six

months, or both. Sec. 673. Any corporation, company or association violating any of the provisions of this chapter, or of any insurance law of this State for the violation of which no forfeiture or penalty is elsewhere provided, shall forfeit and pay not more than \$1000 nor less than \$100, to be recovered by action in the name of the State, and on collection paid to the Superintendent of Insurance to be covered by him into the State Treasury." Penalty, publishing any but authorized statement, \$500 for first offense and \$1000 for each violation after the first.

IMPAIRMENT—Sec. 628. "If it appears to the Superintendent, upon satisfactory evidence, that the assets of an insurance company organized under the laws of this State after deducting therefrom all liabilities, including reinsurance reserve or unearned premium fund computed according to the laws of this State, are reduced twenty per cent or more below the capital required by law, he shall require such company to restore such deficiency within such period as he designates in such requisition. Sec. 629. "If such deficiency is more than 40 per cent of the capital required by law, such company shall not thereafter issue any new policies or transact any new business until it receives from the Superintendent of Insurance a license authorizing it to do business, or until so authorized by a court in a proper proceeding therein. If the deficiency is more than 20 per cent and less than 40 per cent of the capital required by law, and the officers of the company certify that the deficiency will be restored by the company, such company may continue business for 30 days from the date of such requisition. If at the expiration of the 30 days any portion of the deficiency is not restored, the company shall not thereafter issue new policies or transact new business until authorized by the Superintendent or by a court in a proper proceeding therein." Sec. 9607-14. "When the reserve fund of a mutual company is impaired less than 25 per cent the company may, with the consent of the Superintendent of Insurance, levy an assessment to restore such impairment. Impairment must be restored within 90 days."

INVESTMENTS PRESCRIBED—A law of 1915, amending sections 9518 and 9519 of the General Code, provides that the capital of a domestic company must be invested in bonds of the United States, or of the State of Ohio, or in any other State in the United States, or of any municipality or county or township thereof, or in bonds and mortgages on unencumbered real estate within the State of Ohio or any other State worth double the amount loaned thereon; if the amount loaned shall exceed one-half the value of the land mortgaged, exclusive of structures thereon, such structures to be insured in an authorized fire insurance company other than the company making such loan in an amount not less than the difference between one-half the value of such land, exclusive of structures and the amount loaned, and the policy assigned to the mortgagee. Also in the stock of any national bank located in the State of Ohio or in first mortgage bonds of railroads within the State of Ohio, upon which default in the pay-

ment of the interest coupons has not been made within three years previous to the purchase thereof. The surplus accumulations of a domestic company may be invested in or loaned upon the above-mentioned securities or upon mortgages upon unencumbered real estate within the State or any other State of the United States worth fifty per cent more than the sum loaned thereon, exclusive of buildings, unless such buildings are insured in some company authorized to do business in Ohio, and the policy transferred to the company making the investment, or in bonds of any State, county, township, municipal corporation, school district or other political subdivision in the United States, or in stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of the State of Ohio, or of any other State, or of the United States, except its own stock, or in negotiable promissory notes, maturing in not more than six months from the date thereof, secured by collateral security through the transfer of any of the classes of securities above described, with absolute power of sale within twenty days after default in payment at maturity. Sec. 9520. "No company shall own more than one-fourth of the capital stock of any national bank, nor invest in, nor loan on the stocks and bonds, both included, of any railroad company, to an extent exceeding one-tenth of its own capital, nor in the aggregate shall the investment in and loan on all railroad property exceed one-fourth of its capital. Not more than one-half of its capital shall be loaned on mortgage of real estate, as above provided for the investment thereof, and not more than one-tenth of the capital actually existing of any company shall be invested in a single mortgage; the current market value of all such stocks, bonds, or other evidences of indebtedness, as above mentioned, in which the accumulations or surplus money over and above the capital stock of any insurance company may be loaned or invested, shall be at all times during the continuance of such loan at least twenty per cent more than the sum loaned thereon; Sec. 9521, if an investment or loan be made in a manner not authorized by this chapter, the directors who make or authorize the same shall be personally liable to the stockholders for any loss occasioned thereby."

LICENSED BROKERS—Sec. 660: "The Superintendent of Insurance may issue licenses to citizens of this State, subject to revocation at any time, permitting the person named therein to solicit and issue fire, lightning, explosion, tornado or marine insurance, on property in this State, in insurance companies not authorized to transact business in this State. Each such license shall expire on the thirty-first day of March next after the year in which it is issued, and may be then renewed." Sec. 661. "For each such license and renewal, the Superintendent of Insurance shall collect \$10, and such licenses and renewals shall be filed with the recorder and published annually in the county where such agent's office is located in the same manner as is required of certificates of compliance are filed and published." Sec. 662. "Before the person named in such license

shall solicit or issue any insurance in such companies on any such property, he shall in every case file with the Superintendent of Insurance his own affidavit and the affidavit of the person, or of the president or secretary of the corporation, owning the property on which the insurance is proposed to be placed, which shall have force and effect one year only from the date thereof, that such owner is unable to procure from companies authorized to do business in this State the amount of insurance necessary to protect said property."

Sec. 663. "Each person so licensed shall keep a separate account of the business done under his license, a certified copy of which account he shall forthwith, on procuring or issuing any such policy, file with the Superintendent of Insurance, showing the amount of such insurance, the name of the owner, brief description and location of the property, gross premium charged, name of company in which the insurance is placed, date of policy and term thereof, and also a report in the same detail of all such policies canceled and gross return premiums thereon." Sec. 664. "Before receiving such license such persons shall execute and deliver to the Superintendent of Insurance a bond in the sum of \$2000, payable to the State, with at least two sureties, approved by the Superintendent, and conditioned that he will faithfully comply with all the requirements of this law, and will annually file with the Superintendent of Insurance, in January, a sworn statement of the gross premiums charged for insurance procured or placed, and the gross premiums on such insurance canceled under such license during the year ending on the thirty-first day of December last preceding, and at the time of filing such statement will pay to the Superintendent of Insurance an amount equal to 5 per cent of the balance of such gross premiums after deducting such premiums so reported." Residents of Ohio securing insurance from unlicensed companies or Lloyds, must report such transactions within 10 days after July 1, and pay a tax of 5 per cent. on the premiums paid for such insurance, under penalty of \$100 to \$500 for each offense; but this does not apply to members of inter-insurance associations made up of residents of Ohio.

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Sec. 665. "No company, corporation or association, whether organized in this State or elsewhere, shall engage, either directly or indirectly, in this State in the business of insurance, or enter into any contracts substantially amounting to insurance, or in any manner aid therein, or engage in the business of guaranteeing against liability, loss or damage, unless it is expressly authorized by the laws of this State and the laws regulating it and applicable thereto, have been complied with." Sec. 9560. "No company, association or partnership organized under the laws of another State, shall take risks or transact business of insurance in this State, directly or indirectly, unless possessed of the amount of actual capital required by similar companies formed under the provisions of this

chapter, nor unless the capital stock of the company is paid up and invested as required by the laws of the State where it was organized. * * *

MISCELLANEOUS—Sec. 9585. "The cellar and foundation walls shall not be included or considered a part of the building or structure in settling losses, anything in the application or policy to the contrary notwithstanding." Concerning change of venue, see "Anti-Compact."

MUTUAL COMPANIES—Foreign mutual companies must have actual cash assets of the same amount and description as is required of mutual fire insurance companies of Ohio after organization. Domestic mutual companies must have subscriptions for at least \$500,000 of insurance on 200 risks, with \$10,000 of cash premiums paid thereon by the subscribers, and each subscriber must assume a contingent liability of not less than one nor more than ten annual premiums. Not less than ten residents of Ohio, or of an adjoining State, owning property in Ohio, may form a mutual fire association for their mutual protection, and such associations are exempt from the foregoing requirement. Mutual companies having not less than \$200,000 of net assets may issue policies on the stock plan. All buildings insured by a mutual company are pledged to the company to secure the amount of the premium note or contingent liability.

PRELIMINARY DOCUMENTS—Company must file with the Superintendent certified copy of its charter and by-laws, and a verified statement showing its financial condition; copies of policy contracts and specimens of literature; copy of certificate of authority issued by its own State Department; a waiver authorizing any agent to accept service of legal process, and an appointment of at least one agent; companies of foreign governments must also file a copy of its home office statement.

PUBLICATION—Sec. 647-653 provide that the Superintendent of Insurance is required to annually issue to each insurance company and association which he finds should be authorized to do business in this State, upon its complying with the law and filing its annual statement, or as soon thereafter as the same can be done, his certificate reciting that it has in all respects complied with the laws of this State applicable to it and also the actual amount of paid-up capital, the aggregate amount of its assets and liabilities, together with its aggregate income and expenditures for the preceding year, as shown by the annual statement of the company or association for that year, filed with and accepted by the Superintendent, which such certificate (as to fire companies) shall expire on March 1 next, after the date of its issue. Each such company and association not incorporated under the laws of the State of Ohio, shall file a copy of such certificate, duly certified by the Superintendent, with the recorder of each county in which it has an agency, before doing business in such county under authority of such certificate; and for filing same the recorder is entitled to a fee of 10 cents. Each such company and association not incorporated under the laws of the State of Ohio shall at least once a year, and before October 1 of each year, publish such certificate in every county where it has an

agency, in a newspaper published and of general circulation in the county, and having the certificate of the Superintendent of eligibility to make such publication. Every such company and association not incorporated under the laws of the State of Ohio is required to file with the Superintendent of Insurance, on or before October 1 of each year, its report in writing under oath of its president or secretary, setting forth the counties in which such publications were made, the counties in which it had agencies at the time of such publications and the names of the newspapers in which the publications were made, and shall attach as an exhibit thereto a copy of the certificate so published. The charge of the newspapers for such publication is not made with or collected by the Superintendent of Insurance, but is attended to directly by the companies themselves.

RECIPROCAL LAW—Sec. 658. “* * * When the by laws of any other State, district, territory or nation, any taxes, fines, penalties, license fees, deposits of money, securities, or other obligations or prohibitions are imposed on insurance companies of this State doing business in such State, territory or nation, or upon their agents therein, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such other State or nation, doing business in this State, and upon their agents.”

REINSURANCE—Sec. 5439. “No fire insurance company or association authorized to do business in this State shall reinsure, dispose of, cede, pool, divide, or in any manner or form whatsoever, reduce a portion of its risk or liability, covering property located wholly or partially in this State, in or with a company, association, person or persons, incorporated or otherwise, not authorized by law to do the business of fire insurance in this State, or to reinsure, or assume as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or part of a risk or liability, covering property wholly or partially located in this State, of or for an insurance company, association, person or persons, incorporated or otherwise, not authorized by law to do the business of fire insurance in this State.” Sec. 5440. “The Superintendent of Insurance of this State annually, and at such times as he may see fit, shall require the president or other chief officer of each company or association, to file a statement under oath, showing the names of each fire insurance company, or association, with whom or for whom liability for insurance on property located wholly or partially in this State has been reinsured, disposed of, ceded, pooled, divided, or in any manner or form whatsoever reduced or increased.” Sec. 9555 permits any company, with the consent of the Superintendent of Insurance, to reinsure all of its risks in any other company authorized by law to transact business in this State.

REINSURANCE RESERVE—Fifty per cent of the whole amount of premiums on unexpired risks and policies running one year or less from date of policy, and a pro rata amount of all premiums on unexpired risks and policies running more than one year from date of policy. (Full premiums on unexpired ocean marine risks).

RESIDENT AGENTS—Sec. 5438. "An insurance company or agent legally authorized to transact business in this State shall not write, place or cause to be written or placed, a policy, renewal of policy, or contract for insurance upon property situated or located in this State, except through a legally authorized agent in this State, who shall countersign all policies so issued and enter the payment of the premium upon his record. The writing, renewal, placing or causing to be written or placed of a policy of insurance in any other manner or form, is a violation of the law providing for the payment of taxes by foreign insurance companies doing business in the State of Ohio, as set out and provided in this chapter." Penalty for violation, revocation of license for ninety days, and until all taxes, penalties and expenses have been paid, and the company made complete compliance with the law.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—Ohio has no standard policy form.

TAXES—The Superintendent of Insurance shall, in the month of November, annually, collect from each non-Ohio company an amount equal to two and one-half per cent of the balance of gross premiums of such company, after deducting return premiums paid for cancellations and considerations received from other companies for reinsurance in Ohio, as shown by its next preceding annual statement. Also a law of 1915 provides for levying of a tax of one-half of one per cent on the gross amount of premiums, after deducting return premiums and reinsurances received, for the support of the office of State Fire Marshal. Reciprocal provision. Penalty for default in payment of taxes after a statement thereof has been made and mailed to such company, suspension of authority. Sec. 5436 provides that: "If the laws of another State, Territory or nation authorize charges for the privilege of doing business therein, or taxes against any insurance companies organized in this State, exceeding the charges provided in this chapter, like amounts shall be charged against all insurance companies of such State, Territory or nation, doing business in this State, instead of the charges herein provided." See "Reciprocal Law."

TAX STATEMENTS—Other State and foreign companies are required in their annual statements to set forth the gross amount of premiums received in Ohio during the preceding calendar year without deductions for commissions, return premiums, or considerations paid for reinsurance or any deductions whatever; and shall also therein set forth in separate items return premiums paid for cancellations and also considerations received from other companies for reinsurances in Ohio during such year. Penalty for making false statement or refusing to pay tax, revocation of license.

VALUED POLICY—Sec. 9527. "A person, company or association insuring any building or structure against loss or damage by fire or lightning, by a renewal of a policy, shall cause such building or structure to be examined by his or its agent, and a full description thereof to be made, and its insurable value fixed by him. In the absence of any change increasing the

risk without the consent of the insurers, and also of intentional fraud on the part of the insured, in case of total loss, the whole amount mentioned in the policy or renewal upon which the insurers receive a premium, and in case of a partial loss the full amount thereof shall be paid." Sec. 9584. "When there are two or more policies upon the same property, each policy shall contribute to the payment of the whole or the partial loss in proportion to the amount of insurance mentioned in each policy. In no case shall the insurer be required to pay more than the amount mentioned in its policy."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

CINCINNATI—Salvage Corps assessment, $1\frac{3}{4}$ per cent.

OKLAHOMA.*

STATE REQUIREMENTS.

AGENTS DEFINED—Sec. 3431. "Any person who for compensation solicits insurance on behalf of any insurance company, or transmits for a person other than himself an application for a policy of insurance to or from such company, or offers or assumes to act in the negotiating of such insurance, shall be an insurance agent within the intent of this article, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject." Law of 1915 divides agents into three classes—special, policy-writing and soliciting. Sec. 3462. "Any person who shall solicit and procure an application for insurance shall, in all matters relating to such application for insurance, and the policy issued in consequence thereof, be regarded as the agent of the company issuing the policy and not the agent of the insured, and all provisions in the application and policy to the contrary are void and of no effect whatever."

AGENTS' LICENSES—Each individual agent or partnership must procure a license, which expires last day of April, annually. Applications for licenses, including fees, must be made to the State Insurance Board by company, accompanying written notice of appointment of agent. Penalty for acting as agent without a license, fine of \$100 to \$500 for each policy written. The State Insurance Board investigates every agent filing an application. No licenses to be canceled unless written charges are presented to the Board. Violation of this law as to the exclusion of domestic companies from their office shall render the company's representative liable to fine, not exceeding \$1000 and the company subject to a fine not exceeding \$1000. Agent is liable on policies written for unauthorized companies. Sec. 3463. "No corporation or stock company shall act or be licensed to act as an agent or representative of any insurance company or association in soliciting, selling, delivering, writing or in any manner placing, or causing to be placed, any insurance policy or contract in this State."

ANNUAL STATEMENTS—Must be filed with Insurance Commissioner on or before last day of February, annually, showing condition as of December 31 last preceding. Penalty for failure to file statement or answer inquiries, \$500. Commissioner may extend time for good cause. The Corporation Commission requires a complete list of stockholders to be filed and renewed annually only as to any change therein.

ANTI-COINSURANCE—No statute prohibiting use of coinsurance clauses.

ANTI-COMPACT—An anti-trust law was enacted in 1908, which may be construed as prohibiting co-operation between insurance companies and agents.

* Sectional numbers are the same as the Harris-Day Code of Laws.

ANTI-DISCRIMINATION—Law of 1915 forbids rebating and discrimination in rates between risks of essentially equal hazard, domestic mutual companies excepted. On "Agreement and Application for License" is the clause: "The company agrees * * * not to interfere with any agent in the conduct of his business on account of said agent representing companies called 'union' or 'non-union' companies."

ATTORNEY—Sec. 3425. The Insurance Commissioner of the State must be authorized and appointed the true and lawful attorney upon whom all lawful process in any action or legal proceeding against the company may be served. Fee for filing power of attorney, \$3.

CANCELLATION OF POLICY—Sec. 40. "Any policy issued by companies authorized to do business in this State may be canceled at any time at the request of the insured; or by the company by giving five days' notice of such cancellation. If the policy shall be canceled as hereinbefore provided, or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of the policy or last renewal, the company retaining the customary short rate; except that when the policy is canceled by the company by giving notice, it shall retain only the pro rata premiums."

CAPITAL REQUIRED—Company must possess at least \$100,000 of paid-up or guaranty capital or surplus invested in such securities as domestic companies are allowed to invest in.

COMMISSIONS TO NON-RESIDENTS—All commissions are required to be paid to a resident agent and must not be divided with a non-resident. Any unauthorized company affecting insurance within the State shall pay a tax of two per cent on the premium to the State Auditor through the assured.

DEPOSIT—None required. Foreign company must have \$200,000 on deposit in some State for the benefit of United States policyholders.

DOMESTIC COMPANIES—Sec. 3404. "Ten or more persons may form a corporation for the purpose of making any of the following kinds of insurance, to wit: (1) Against loss or damage to property by fire, hail, lightning, or tempest on land, or explosion of natural gas. (2) Upon vessels, freights, goods, moneys, effects, bottomry and respondentia interests, and every insurance appertaining to or connected with marine and inland risks of transportation and navigation." The incorporators shall file in the office of the Insurance Commissioner a certificate of organization, signed and sworn to by the president, secretary, and a majority of the directors, stating their intention to form a corporation and setting forth the name of the company, its location, the kind or kinds of insurance to be transacted, whether the company is to be stock or mutual, and, if stock the amount of capital, and the period limited for the duration of the company; also any other particulars necessary to make manifest the purposes of the corporation. Domestic company must have at least \$50,000 of capital, guaranty capital, or surplus.

EXAMINATIONS—Domestic companies must be examined at least once in

each three years or upon the request of five or more persons pecuniarily interested therein who charge that the company is in unsound condition. Outside companies may be examined at the discretion of the Insurance Commissioner. Companies examined must bear the expenses of such examination. If a domestic company is found to be unsound or its condition or management is such as to render its further proceeding hazardous to the public, its policyholders or its creditors, the Commissioner shall apply through the Attorney General for an injunction to restrain it from transacting further business. If an outside company is found to be in a similar condition the Commissioner shall revoke or suspend all certificates of authority granted to it or its agents and shall cause notification thereof to be published in newspapers of general circulation, and the company shall transact no new business until its authority is restored by the Commissioner. If, however, the ground for revocation or suspension relates to some matter other than the financial condition or soundness of the company or a deficiency in its assets, he shall notify the company not less than ten days before revoking its authority to do business, and shall specify the particulars of the supposed violation.

FEES—For filing the declaration or the certified copy of charter herein required, \$30; for filing annual statement, reciprocal; domestic mutual farm companies, \$5; for each certificate of authority to each agent of companies not incorporated under the laws of this State, \$3; for each certificate to each agent of domestic companies, 50 cents; for each copy of paper on file, per folio, 20 cents; affixing seal, \$1; appointment of attorney for service, \$3; for examinations, expenses thereof; for service of process, \$3; for appraisal of property for each mortgage deposited, \$5; foreign fire insurance companies, \$100; to be paid annually. Fees are collected by Insurance Commissioner and paid to the State Treasurer, except that State Insurance Board issues agents' licenses and collects fees for same. Insurance Commissioner issues license to all stock companies and domestic mutuals. State Insurance Board issues licenses to local agents and to reciprocal and interinsurance associations and foreign and farmers' mutual companies.

FIRE DEPARTMENT TAX—This tax is included in and a part of the two per cent State tax (usually one-half of State Tax). Towns having fire departments with at least \$1000 worth of apparatus file certificates with Insurance Commissioner, and insurance companies return with annual statement lists of net premiums in such towns.

FIRE MARSHAL—Provision is made for a State Fire Marshal to investigate fires, etc.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Sec. 3425.

"* * * The annual statement of a company of a foreign country shall embrace only its business and condition in the United States, and shall be subscribed and sworn to by its resident manager or principal representative in charge of its American business."

GENERAL PENALTY—In cases where no specific penalty is prescribed, a

violation of or non-compliance with law is punishable by a fine of \$50 to \$500. Sec. 3478. "For any violation of the State Insurance Board Act of 1915 by any company, firm or individual its license may be revoked and is liable to a fine of not less than \$50 and not more than \$300 or by imprisonment in the county jail not exceeding six months, or both."

IMPAIRMENT—When a domestic company's capital is found to be impaired, the Insurance Commissioner shall notify the company to make good the deficiency within ninety days, and if such deficiency is not repaired or the capital reduced as provided by law, he shall institute proceedings against the company. If the capital of an outside company is found to be impaired its authority to do business must be revoked. See "Examinations."

INVESTMENTS PRESCRIBED—A domestic company may invest 75 percent of its assets in public funds of the United States or the District of Columbia, or of any State or Territory of the United States; bonds or notes of any county, city, town, school or water district in Oklahoma or of any other State of the United States; mortgage bonds of railroad corporations (under certain restrictions); loans upon improved and unencumbered real property in any State, not exceeding 50 percent of market value; loans upon collateral securities not exceeding 90 percent of market value thereof; and such domestic companies doing business in other States or in foreign companies may invest funds required to meet obligations incurred therein in conformity to the laws thereof in the kind of securities that such corporation is allowed to invest in in that State. The remaining 25 percent of its assets may be invested in such classes of securities, not prohibited by law, as may be approved by the Insurance Commissioner. Real estate requisite for the convenient accommodation of the company's business may be held, and such other real estate as is taken in payment of debts, etc., may be held not exceeding five years (the Insurance Commissioner may extend the time for good cause). Sec. 3444.

Sec. 3441. "No domestic insurance company shall invest any of its funds in any unincorporated business or enterprise nor in the stocks or evidence of indebtedness of any corporation, the owners or holders of which stock or evidence of indebtedness may in any event be or become liable on account thereof to any assessment except for taxes, nor shall any such insurance company invest any of its funds in nor loan upon its own stock or in or upon the stock of any other insurance company, nor shall the stock of any such company be sold to, owned or controlled by any other corporation. No such company shall invest in, acquire or hold directly or indirectly, more than ten per centum of the capital stock of any corporation, nor shall more than ten per centum of its surplus be invested in or loaned upon the stock of any one corporation. No such company shall subscribe to or participate in any underwriting of the purchase or sale of securities or property, or enter into any transaction for such purchase or sale on account of said company jointly with any other person, firm or corporation; nor shall any such corporation enter into any agree-

ment to withhold from sale any of its property but the disposition of its property shall be at all times within the control of its board of directors."

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—Ten per cent of capital stock and surplus.

For inter-insurance associations, 10 percent of premium income at time of writing the risk.

LLOYDS—According to a law of 1915, all contracts to be executed by an attorney authorized and acting for the subscribers. He shall file with the State Insurance Board a declaration setting forth the title, which shall not be a duplicate or deceptive and which shall be classified as reciprocal or inter-insurance exchange; the kinds of insurance to be effected; a copy of form of the policy or contract; a copy of the power of attorney, and the location of the offices. Applications must be had upon at least 100 separate risks aggregating not less than \$1,500,000. There must be \$25,000 deposited with the attorney available for payment of losses. The State Insurance Board must be made attorney upon whom process may be served. A cash deposit must be maintained equal to fifty per cent of the aggregate net annual deposits collected in one year under policies and pro rata on longer-term policies; annual reports must be filed and the exchange subject at all times to examination by State Insurance Board. Violation are misdemeanors and offenders are liable to a fine of from \$100 to \$1000. Certificate of authority must be procured annually. Agents', solicitors', or inspectors' annual license fee, \$3; for filing original service of process, \$3. Sec. 11. "Such attorney shall pay as a fee for the issuance of the certificate of authority therein provided for the sum of \$20, which, together with the fees provided for in the previous sections, shall be in lieu of all license fees and taxes of whatever character in this State."

MISCELLANEOUS—Company licenses expire last day of February. Art. 2, Chap. 38, Harris-Day Code, Sec. 3479. "No insurance company shall, knowingly, issue any fire insurance policy upon property within this State for an amount which, with any existing insurance thereon, exceeds the fair value of the property, nor for a longer term than five years." A company may not have more than one policy-writing agent in a city or town. The Commissioner advises us that this was later construed as meaning three agents. Every policy must be headed by the corporate title of the company, although it will be permissible to stamp or print in smaller type on the bottom of the filing back the name or names of the department or general agency issuing the same. A company licensed in Oklahoma is held to be domiciled in that State (Sec. 4665) and its license shall be revoked if it shall claim or declare in writing before any law or court of equity in Oklahoma domicile within another State or foreign country.

MUTUAL COMPANIES—A domestic company may be organized by not less than twenty persons to insure dwellings, barns, farm property, country school houses, churches and contents and live stock against loss by fire, lightning, windstorms and hail. The following conditions are laid down:

There must be applications for at least 200 risks aggregating at least \$500,000; the maximum amount of any single risks, less reinsurance, shall not exceed three times the average risks, or one per cent of insurance applied for, whichever is greater; a cash premium must be collected on applications and the total cash assets must be twice the maximum single risks nor less than \$10,000; the maximum single risk shall not exceed twenty per cent of its admitted assets or one per cent of the insurance in force, deduction for reinsurance being permitted. Mutual companies organized in other States are permitted to obtain a license. According to a ruling of the Attorney-General, annual statements must be filed yearly before the last day of February. Secs. 3506 and 3532. Provision is also made for farm mutuals to operate in not more than three counties, and for mutual automobile insurance companies.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a copy of its charter and a verified statement of its condition, and obtain certificate to do business. See also "Domestic Companies." Certificate of compliance with laws of company's home State required annually.

PUBLICATION—None required. Any advertisement showing assets must show liabilities with equal conspicuousness.

RATING SCHEDULES TO BE FILED—By a law, effective March, 1915, a State Insurance Board, consisting of the Insurance Commissioner, the Fire Marshal and a secretary, appointees of the Governor, was created. This State Board has authority over all rates and rating bureaus and the granting and revoking of insurance agents' licenses. It decrees that every fire and tornado insurance company shall file with the Board a schedule showing its rates and any condition or privilege affecting such rates. No changes in these rates can be made without a written notice to the Board, which must then receive its approval. The Board shall also order the lowering or raising of a rate as it deems necessary. No insurance company may transact business within the State without filing this schedule, nor shall it remit or refund any of or part of the rates so set forth, nor may any discriminatory privileges be extended to anyone. A company effecting insurance upon which no rate has been filed must file within thirty days an account of the transaction with the Insurance Board. All schedules and insurance rates so filed will be open to inspection of the public. The State Insurance Board shall make no regulation without giving the interested companies or municipalities reasonable notice thereof, and they may petition the Supreme Court if the regulation seems unjust.

RECIPROCAL LAW—Sec. 3435. "Whenever the existing or future laws of any other State of the United States require of insurance companies incorporated by or organized under the laws of this State, and having agencies in such other States, or the agents thereof, any deposit of securities in such State for the protection of policyholders, or impose any other requirements, provisions, restrictions, prohibitions, examinations or conditions greater than required for similar purposes from similar companies of other States

OREGON.*

STATE REQUIREMENTS.

AGENTS DEFINED—The word “agent” is construed to apply to a person, firm or corporation. “Any person who solicits insurance, receives an application or order to write, renew, or procure any policy, collect any premium, or who attempts as middleman to place any fire insurance in this State, shall be deemed an insurance agent, and shall comply with the provisions herein.”

AGENTS’ LICENSES—Sec. 4639. “Every insurance company licensed to transact a fire insurance business in this State and lawfully doing such business therein, may, in respect thereof, establish agencies in this State, to consist of but one agent for each city, town or village in the State to represent each title registered, as hereinbefore provided, and additional agencies as hereinafter provided, and the name of every agent appointed in accordance with the provisions of this section shall be filed with the Insurance Commissioner immediately upon the making of such appointment by any such company. The Insurance Commissioner shall thereupon issue to each such agent a certificate setting forth that such agent is entitled to act for the company appointing him for the balance of the current year ending December 31 following the date of such appointment. Every such agent now representing any such company, or who may hereafter be appointed to represent any such company, shall be relicensed during the month of December in each year for the ensuing calendar year upon proper application to the Insurance Commissioner by the company appointing him. The fee fixed for issuing such certificate shall be \$1.00 and shall be paid to the Insurance Commissioner; provided, that the certificate issued to an established agency of any company in any city, town or village in the State may be transferred by the Insurance Commissioner upon proper application of any such company, without exacting further fees.” Sec. 4640: “Any insurance company or association may appoint additional agents in any city, town or village of this State by paying in advance to the county wherein such additional agent is appointed a quarterly license of \$100 for every such additional agent so appointed, and the proper officer of the county, upon receiving payment for such license, shall issue his receipt therefor, and the Insurance Commissioner, upon presentation to him of such receipt by the licensee, shall issue to such licensee a certificate setting forth that such additional agent is entitled to act for the company appointing him. The application for the license, and the license, shall designate the name of the city, town or village for which he is appointed, and such agent must be a resident thereof and shall maintain his office there; provided, that in cities containing a population of 40,000 or more inhabitants, any insurance company or association may appoint two agents under the provisions of

* Section numbers are from Bellinger and Cotton's Code, 1908.

an annual tax of two per centum on all premiums collected in this State, after all cancellations and dividends to policy holders are deducted and an annual tax of three dollars on each local agent, and such other fees as may be paid to said Insurance Commissioner, which taxes shall be in lieu of all other taxes or fees and the taxes and fees of any subdivision or municipality of the State. Any company failing to make such returns and payments promptly and correctly shall forfeit and pay to the Insurance Commissioner, in addition to the amount of said taxes, the sum of five hundred dollars; and the company so failing or neglecting for sixty days shall thereafter be debarred from transacting any business of insurance in this State, until said taxes and penalties are fully paid, and the Insurance Commissioner shall revoke the certificate of authority granted to the agent, or agents of that company to transact business in this State." See "Reciprocal Law." No credit is allowed for reinsurances in unauthorized companies. A tax of one-fourth of one per cent on gross premium receipts is levied to defray the expenses of the State Fire Marshal's office, payable in February to the Insurance Commissioner. (An opinion of the Attorney-General suggested certain deductions from gross premiums, and the Insurance Department construed same to mean net premiums.) Propertyowners must pay State Auditor two per cent on amount of premiums paid to unlicensed companies.

TAX STATEMENTS—Must be filed with Insurance Commissioner on or before last day of February, under penalty of \$500.

VALUED POLICY—Chapter 53, Laws of 1893, Sec. 3807, which was practically a valued policy provision, is excluded from the new Harris-Day Code, approved by the last Legislature.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

The Attorney-General has ruled that occupation taxes levied by towns do not apply to foreign companies, but only to domestic companies.)

DUNCAN—For each agent, \$10, payable May 1.

HENNESSEY—For each company, \$5, payable January 1.

IDABEL—For each agent, \$10, payable April 1.

WYNNEWOOD—For each agency, \$5, payable May 1.

OREGON.*

STATE REQUIREMENTS.

AGENTS DEFINED—The word “agent” is construed to apply to a person, firm or corporation. “Any person who solicits insurance, receives an application or order to write, renew, or procure any policy, collect any premium, or who attempts as middleman to place any fire insurance in this State, shall be deemed an insurance agent, and shall comply with the provisions herein.”

AGENTS’ LICENSES—Sec. 4639. “Every insurance company licensed to transact a fire insurance business in this State and lawfully doing such business therein, may, in respect thereof, establish agencies in this State, to consist of but one agent for each city, town or village in the State to represent each title registered, as hereinbefore provided, and additional agencies as hereinafter provided, and the name of every agent appointed in accordance with the provisions of this section shall be filed with the Insurance Commissioner immediately upon the making of such appointment by any such company. The Insurance Commissioner shall thereupon issue to each such agent a certificate setting forth that such agent is entitled to act for the company appointing him for the balance of the current year ending December 31 following the date of such appointment. Every such agent now representing any such company, or who may hereafter be appointed to represent any such company, shall be relicensed during the month of December in each year for the ensuing calendar year upon proper application to the Insurance Commissioner by the company appointing him. The fee fixed for issuing such certificate shall be \$1.00 and shall be paid to the Insurance Commissioner; provided, that the certificate issued to an established agency of any company in any city, town or village in the State may be transferred by the Insurance Commissioner upon proper application of any such company, without exacting further fees.” Sec. 4640: “Any insurance company or association may appoint additional agents in any city, town or village of this State by paying in advance to the county wherein such additional agent is appointed a quarterly license of \$100 for every such additional agent so appointed, and the proper officer of the county, upon receiving payment for such license, shall issue his receipt therefor, and the Insurance Commissioner, upon presentation to him of such receipt by the licensee, shall issue to such licensee a certificate setting forth that such additional agent is entitled to act for the company appointing him. The application for the license, and the license, shall designate the name of the city, town or village for which he is appointed, and such agent must be a resident thereof and shall maintain his office there; provided, that in cities containing a population of 40,000 or more inhabitants, any insurance company or association may appoint two agents under the provisions of

* Section numbers are from Bellinger and Cotton's Code, 1908.

Sec. 4639." Penalty for acting without license, fine of not less than \$500 for each offense, or imprisonment for not less than fifty days.

ANNUAL STATEMENTS—Must be filed on or before March 1, and must be sworn to by an executive officer of the company or manager of department, from records of which such statement is compiled. Person making false sworn statement is guilty of perjury and may be imprisoned for from one to three years. Penalty for making false entries on books or papers, imprisonment for from one to three years. These statements and tax statements are only ones required annually.

ANTI-COINSURANCE—No law prohibiting use of coinsurance clauses.

ANTI-COMPACT—Act of February 24, 1909. Sec. 14, as amended in 1911.

"If any company, corporation, association, or partnership, engaged in the business of casualty insurance, marine insurance, plate glass insurance, suretyship or fire insurance within the State of Oregon, shall enter into any compact or combination, or shall require or allow, with knowledge thereof, their agents, in Oregon, to enter into any such contract, trust, or combination with other insurance agents, or companies, or other agents or companies, for the purpose of governing or controlling the rates charged for casualty insurance, marine insurance, plate glass insurance, or surety bonds, or fire insurance within this State, or for the purpose of discriminating against any company or its agent by reason of its affiliation or non-affiliation with any board or association of casualty insurance companies, marine insurance companies, plate glass insurance companies, surety companies, or fire insurance companies, managers, or agents, or for any other purpose detrimental to the public good, the Insurance Commissioner shall forthwith revoke and cancel the license of such company or companies to transact or conduct that class of casualty insurance, marine insurance, plate glass insurance, surety or fire insurance business in this State, the rates for which were governed or controlled by such compact or combination, and such authority to do that class of casualty insurance, marine insurance, plate glass insurance, surety or fire insurance business in this State, shall be withheld for the term of one year; *provided*, that this section shall not prohibit any general agents in Oregon of such casualty insurance association or companies, marine insurance association or companies, plate glass insurance association or companies, surety association or companies, or fire insurance association or companies from establishing or maintaining bureaus, which bureaus shall be maintained only for the purpose of ascertaining fair and equitable rates upon the insurable property in Oregon, and for casualty insurance, marine insurance, plate glass insurance and surety bonds, and for any other purpose for the public good. In case such bureaus are maintained, those agents or others, who shall be in charge thereof, shall, upon application, sell their rates, rules, and other information to any person who may desire to purchase them, and shall charge therefor only a reasonable and fair compensation."

ANTI-REBATE—Policy must show the actual premium paid, together with a correct statement of the amount of risk covered, otherwise the insurance shall be decreased so that the company shall be liable to the insured for only such proportion of the expressed amount as the actual premium bears to the expressed premium. Penalty for violation, fine of not over \$500 and revocation of license. Company paying a commission to a broker who is not a licensed Oregon agent of the company taking the risk and paying the commission, is construed to be guilty of rebating. Exchanging or brokering business between agents licensed in Oregon is ruled to be permissible; but this does not give any standing in Oregon to agents or brokers licensed in other States, but not in Oregon.

ATTORNEY—Sec. 4634. “* * * Every foreign fire, fire and marine, marine, life, life and accident, plate glass, casualty, and steam boiler insurance company now doing business in this State, or that may hereafter do business in this State, shall within sixty (60) days after the passage of this act, and on or before renewal or issuing of a license, appoint a general agent on whom legal service, if any necessary may be made and to whom all other agents of the company in the State shall make report, not less frequently than once a month, of business transacted.” In case of disqualification, service may be made upon the Commissioner.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—Company of another State must have an unimpaired cash capital of at least \$200,000; domestic company, \$100,000. Penalty for advertising capital greater than amount paid up, fine of \$500. Marine company must have capital and surplus of \$300,000.

COMMISSIONS TO NON-RESIDENTS—Payment of such commissions construed to be rebating. See “Anti-Rebate.”

DEPOSIT—Sec. 4617, as amended in 1915. “Every foreign corporation or company before engaging in the business of fire insurance, directly or indirectly, or assuming any such fire insurance risk within this State shall deposit with the Department of Insurance as follows: If it have a paid-up capital of \$200,000 or more and a surplus of \$100,000 or more and it shall file a certificate from the Insurance Department of the State in which it is incorporated showing authority to do business in said State, \$25,000, in the same manner as provided for express companies above, or in case of companies foreign to the United States, a like certificate from the proper authority of any State having an insurance department, showing authority to do business in said State, and a certificate showing a deposit by such company of not less than two hundred thousand dollars in cash or approved securities, for the security of the policyholders of such company in the United States, in some State having an insurance department; *provided*, that any such foreign fire insurance company having paid-up capital stock in the amount of \$200,000 or more, and a surplus of \$100,000 or more may, at its option, deposit with the Department of Insurance, instead of the amount required above, a corporate surety bond payable to the State

of Oregon and conditioned upon the faithful performance of all contracts within this State, executed by an entered, or domestic surety company; such bond to be approved by the Insurance Commissioner, and shall be the same amount as above required to be deposited, said bond or deposit of \$25,000 shall be accepted in lieu of the deposit of \$50,000, wherever the same is now required by any section of the Statutes of Oregon. Any domestic fire insurance company may deposit with the Treasurer of the State securities in such sum as it may desire, and such securities, when so deposited, shall be safely kept for the benefit and security of all persons, both within and outside of the State of Oregon, transacting business with such company. All interest accruing from such securities shall be paid as the same may accrue to such domestic company and the State of Oregon shall be held responsible for the safety of all deposits made under the provisions of this Act."

Provided, further, that if any requirements additional to or in excess of the above are imposed by the laws or officers of any other State or States upon fire insurance companies of this State (excepting only as to amounts of capital and surplus) the fire insurance companies of such State or States shall deposit in this State \$50,000, as provided for express companies above. (Filed in the office of the Secretary of State February 15, 1915.) The provisions referred to as relating to express companies are as follows: "Such deposit shall be made in interest-bearing bonds of the United States, or the bonds of the State of Oregon, or any municipal, school district, or county bonds issued by authority of law in the State of Oregon, the market value of which is at or above par or bonds or notes secured by first mortgage upon unincumbered real estate within the State of Oregon of the value of double the amount loaned thereon, or money of the United States, and shall be safely kept for the benefit and security of persons transacting business with such corporation or associations in this State for claims and demands arising out of said business, and shall be held and considered specially pledged for such security for such claims and demands; *provided*, that any such corporation may change the character of its deposit at any time by depositing other securities of the kinds and description in this section authorized to be deposited. All interest accruing from the United States or otherwise on such securities shall be paid, as the same may accrue, to the corporation or association to whom they belong, and the State of Oregon shall be held responsible for the safety of all deposits made under the provisions of this act. It is provided, however, that in lieu of the deposit hereinbefore required any such foreign corporation or company may make an investment in real estate within the State of Oregon of the value of not less than one hundred thousand dollars (\$100,000), provided such investment shall be approved by the State Treasurer. The title to said real estate shall remain in said express company and be unimpaired during all the times that the company is taking advantage of the provisions of this act. The corpora-

tion shall pay taxes upon such real estate in the county where the same is situated, in the same manner and to the same extent as an individual, and the real estate shall be held liable therefor. When any corporation or association having made such deposit or investment in real estate shall desire to cease business in this State and withdraw its capital, it may do so by first giving six months' public notice of such intention by continuous publication in three (3) weekly newspapers published in and of general circulation in the State, and if no claims shall be filed against such corporation or association within said six months, the deposit may be withdrawn and the real property may be sold; real estate held by any corporation or association under the provisions of this act may be sold at any time, provided the corporation or association shall substitute other real estate therefor of the value herein prescribed."

DOMESTIC COMPANIES—Sec. 4610. "Corporations may be formed under the general laws of the State for the transaction of insurance business, but no such corporation hereafter organized shall be permitted to assume any risk unless the same shall have at least five directors, who shall be residents and property owners in this State and stockholders in the corporation; nor until such corporation shall have a paid-up, unimpaired cash capital equal to \$100,000 in United States gold coin, * * *."

EXAMINATIONS—Sec. 4619. "The Insurance Commissioner is hereby authorized, and may upon the receipt of a written request, signed by three citizens of this State, or whenever from any cause he shall deem it necessary, to make a thorough examination of the books, accounts, securities and all property belonging to any company incorporated under the laws of this State, and if he does not find capital paid up to the amount of \$50,000, or if he shall find the capital impaired, he shall give notice to such company to immediately repair its capital, and shall refuse or revoke his certificate of authority to such company to do business in this State; and if any company shall refuse to permit such examination, the Insurance Commissioner shall refuse or revoke his certificate of authority to such company." Penalty for continuing business after the certificate has been revoked, fine of \$500 for each offense. Sec. 4623. "Upon written representation of three citizens, and the belief of the Commissioner that any company organized outside of this State, and doing an insurance business in this State, has less than \$200,000 paid-up, unimpaired cash capital, it shall be the duty of the Commissioner to make such investigation or require such proof as shall be satisfactory to him concerning the financial condition of the company;" but the Commissioner shall accept the certificate of a company's home State Insurance Department that its capital is unimpaired. For examining the financial condition of any company or association organized in this State, the just and legitimate expense of such examination shall be paid by the said company, and the Commissioner shall revoke or refuse his certificate of authority to any company neglecting or refusing to pay such expense, or to furnish any information to said Commissioner authorized by this act. By

a law of 1911, the Insurance Commissioner is authorized to examine domestic companies as often as he deems it expedient, and at least once in three years, and is also authorized to investigate concerns promoting or holding the stock of insurance companies for the purpose of controlling the management thereof.

FEES—Certificate to each agent, \$1; annual license, \$150; filing power of attorney, \$5; issuing certificate of authority, \$5; filing statement of mutual company, \$10; filing title, \$5; filing annual statement of Oregon business, \$5; for certificate of authority to attorney of inter-insurers, \$15; for certificate of deposit (to treasurer), \$10; for custody of securities deposited with department in lieu of surety bond (to Commissioner), one-eighth of one per cent; for each additional agent beyond one in each city or village of less than 40,000 inhabitants, or beyond two in cities of 40,000 or over, \$100 quarterly to county treasurer; for examination, "just and legitimate expense." Except in cases indicated, fees are payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No provision for special investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—Sec. 4642. "If any insurance company or association, doing business in this State, shall violate any of the provisions of this act, the Insurance Commissioner shall forthwith revoke its license and those of its agents, and no renewal of the license or licenses shall be granted until after the expiration of one year from the final date of revocation." Sec. 4646. "Any officer, agent or employee of any insurance company, or other person, violating any of the provisions of this act, shall, on conviction thereof, be fined not less than \$100 nor more than \$500, and in default of payment of such fine shall be imprisoned in the county jail not less than ten days nor more than six months, except as otherwise specially provided in this act, and the Commissioner is authorized and directed to cause proceedings to be instituted in the name of the State of Oregon, in any court of competent jurisdiction, to enforce the provisions of this act."

IMPAIRMENT—Any impairment of capital will be followed by revocation or refusal of license.

INVESTMENTS PRESCRIBED—Sec. 4610. "Corporations may be formed under the general laws of this State for the transaction of insurance business, * * * such corporation shall have a paid-up unimpaired cash capital equal to \$100,000 in United States Gold Coin, which shall be invested in this State by any such corporation now organized, or to be organized, in State or United States bonds, bonds or notes secured by first mortgage upon first-class, otherwise improved, unincumbered real estate, the market value of which shall be at least double the amount invested in or loaned thereon, bonds of any city, county or school district in this

State, the issuance of which has been duly authorized by law; provided, that such bonds or securities shall at no time be estimated as assets of such corporation at more than their actual cash value, and nothing in this act shall be construed to permit any investment in mining stock, provided, however, such corporation shall not hold or convey real estate, excepting for the purposes and in the manner herein set forth, to wit; such as shall be necessary for its convenient accommodation in the transaction of its business, or such as may have been conveyed or mortgaged to it in good faith by way of security for loans, or for debts or money due in its legitimate business, or such as have been purchased at sales upon judgments or mortgages obtained or made for such debts; and to the extent and for the purpose hereinbefore recited, such corporation is hereby authorized to hold, purchase, and convey real estate, and may invest a part of its capital therefor." Loans to stockholders will not be admitted as assets of a domestic company.

LIMIT ON A SINGLE RISK—Domestic mutual companies, \$1000 for first \$300,000, \$2000 when risks amount to \$500,000, and \$1000 for each additional \$500,000 of insurance in force thereafter.

LLOYDS—Sec. 4645. "The provisions of this act under either term or designation of company, corporation, association, firm or individual, in either case, or where either term or designation is used, shall apply to any insurer, company, corporation, association, firm or individual engaged as insurers, or who may hereafter engage as insurers in this State, or who may engage in offering or affording indemnity against the casualties of fire or life." All such are forbidden to transact insurance in Oregon without a license. In 1911 a law was enacted providing that the making of contracts between individuals, firms or corporations to provide indemnity among each other from fire loss or other damage to their own property, shall constitute the business of insurance, but shall not be subject to the insurance laws except as provided in the Act of 1911. This provides for the filing of certain information and the securing annually of a certificate of authority by the attorney, agent or other representative who acts for those exchanging indemnity.

MISCELLANEOUS—A company on entering the State shall register the title under which it proposes to do business; but it may also register one additional "title" and operate thereunder on making the regular deposit of \$50,000 and securing a certificate of authority. If a company is licensed in New York, it may deposit a surety bond for \$25,000 for each title. No association, firm or individual will be permitted to transact insurance business on terms more favorable than are prescribed for stock companies.

Sec. 4669. "That every contract or policy of fire insurance to be made, issued, or offered to be issued, in this State shall contain, in addition to requirements now imposed by law, a true and correct statement of the consideration or premium upon which the contract or policy is written, and shall likewise contain a true and correct statement of

the risk of amount covered. If the assured does not pay, as ~~premium~~ or consideration, the amount expressed in the policy, then the insurance, or amount covered shall be decreased, so that the insurance company shall be liable to the assured for only such proportion of the expressed amount as the actual premium bears to the expressed premium; *provided*, that this section shall not prohibit any insurance agent or broker from withholding to his own use from premium expressed in the policy a reasonable commission or compensation for services rendered in writing for negotiating said policy or contract of insurance. If any insurance company or agent shall write any contract or policy of fire insurance which shall not contain a true and correct statement of premium and risk as above provided, such company or agent shall be liable to a fine of not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500); such fine to be collected by an action instituted by the Insurance Commissioner. And in case such offending agent or company shall fail or neglect to pay the assessed fine within thirty days from the time it is regularly declared due and payable it shall be the duty of the Commissioner forthwith to revoke the license of the offending company or agent to do business in this State and to withhold the same for the period of one year. * * * By a ruling of June 15, 1915, the Insurance Commissioner permits the transaction of hail insurance by fire insurance companies on notification to the Department by the companies.

MUTUAL COMPANIES—Sec. 4649. "Any number of persons, not less than fifty, may form an association or corporation for the purpose of mutual protection of its members against loss by fire, and any such association or corporation that is conducted for the purpose of mutual protection and relief of its members only and not for profit, shall be exempt from all other insurance laws of this State, and shall be granted power to make contracts for insurance with any person or corporation in the State of Oregon or elsewhere; provided, that no policy or certificate of insurance shall be issued to any other than a member of such association or corporation." Sec. 4650. "No mutual insurance company hereafter organized shall transact any business until it has received subscriptions for insurance in the sum of \$300,000, divided among at least 300 subscribers; and the subscribers for such insurance must be residents of the State, and the property to be insured must be located in Oregon; *provided*, that any foreign mutual insurance corporation may be admitted to do business in this State upon the same conditions and subject to the same restrictions as mutual insurance companies organized under the Laws of the State of Oregon, when it shall appear to the Insurance Commissioner of this State from a certificate of the Insurance Commissioner of the State in which such foreign mutual insurance corporation is organized, that such foreign mutual insurance company seeking to do business in this State has admissible cash assets of at least one hundred and fifty thousand dollars, shall have accumulated from its underwriting business and earnings, surplus

admissible assets of not less than fifty thousand dollars, and at least five hundred members and \$4,000,000 of insurance in force * * *."

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a certificate of the proper insurance officer of some State having an insurance department, certifying that it possesses paid-up unimpaired cash capital of at least \$200,000, and is duly organized to do an insurance business, also file copy of charter or articles of incorporation and register title under which it proposes to write fire insurance. See "Miscellaneous." Certificate of compliance with laws of company's home State not required annually. Application for certificate, Insurance Department certificate of capital, power of attorney and appointment of resident general agent and copy of charter or articles of incorporation, are required but once, unless there is a change in the attorney or agents.

PUBLICATION—Sec. 4634. "* * * Immediately upon filing this annual statement with the Insurance Commissioner, every fire, marine, fire and marine, * * * insurance company, * * * doing business in the State of Oregon, shall publish once each year in two newspapers of general circulation, and published in the State, west of the Cascade Range of Mountains, and in two newspapers of general circulation and published in the State, east of the Cascade Range of Mountains, a full synopsis of its general annual financial statement showing the conditions of its business and setting forth its resources and liabilities."

RATING BUREAU—The laws of Oregon relating to insurance now provide against compacts or combinations by any companies, corporations, associations or partnerships engaged in the business of fire insurance in the State, but permit the general agents of authorized companies in Oregon to maintain and establish a Surveyor's Bureau for the purpose of ascertaining fair and equitable rates on the insurable property in Oregon.

RECIPROCAL LAW—See "Deposit."

REINSURANCE—Admitted companies may reinsure, outside of the State, risks in the State, in companies not authorized to do business in the State, but no credit is allowed for reinsurance in unadmitted companies. Reinsurances must be reported annually. See "Resident Agents."

REINSURANCE RESERVE—Forty per cent of gross premiums on all unexpired risks.

RESIDENT AGENTS—Sec. 4636. "It shall be unlawful for any insurance company or association doing business in the State of Oregon to write, place, or cause to be written or placed, any policy or contract for indemnity for insurance on property situated or located in the State of Oregon, except through or by the duly authorized agent or agents for such insurance company or association residing and doing business in this State. * * *" Rolling stock of railroads and property in transit are excepted. Affidavits of executive officers that the provisions of this section have not been violated are required with annual statements. It is held that all direct policies, issued on Oregon risks by admitted companies, must be

written or placed through a resident agent. A resident agent and attorney for service, to furnish annual statement of Oregon business and to whom other agents in the State report, must be appointed.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—A standard form of policy similar to the New York form, is prescribed by law.

TAXES—Before April 1, the Insurance Commissioner must mail statement of the amount of tax charged against a company to its general agent, which amount such company shall, within fifteen days thereafter, pay to the Insurance Commissioner at his office a tax of two per cent upon its net premiums. "Net premiums" are total gross premiums received less return premiums, dividends returned to policyholders in Oregon, losses paid in Oregon and premiums paid for reinsurance to domestic or entered companies of Oregon. Failure to make statement or pay tax is punishable by a fine of \$10 per day for each day's delay beyond the time specified. Commissioner may revoke company's license for such default. Real estate is taxable locally.

TAX STATEMENTS—Must be filed on or before March 1. See "Taxes."

VALUED POLICY—Sec. 4626. "That the amount of insurance written in a policy of insurance on all buildings insured after the passage of this act shall be taken and deemed the true value of the property at the time of the loss, and the amount of the loss sustained, and shall be the measure of damage, unless the insurance was procured by the fraud of the insured, or the loss was caused by the criminal act of the insured. It shall be lawful for any insurance company liable to pay losses occasioned by fire to rebuild any structure or building, wholly or partially destroyed, of the same style and materials, and of equal value with the one so wholly or partially destroyed, but they shall make their election so to do within thirty days' notice of loss. In case there is a partial destruction of the property insured, no greater amount shall be collected than the damages sustained."

COUNTY TAXES AND FEES.

See "Agents' Licenses."

MUNICIPAL TAXES AND FEES

PORTLAND—For each company, \$10 per quarter, payable January 1, April 1, July 1 and October 1.

ROSEBURG—For each company, \$10 per annum, payable January 1 and July 1.

SALEM—For each company, \$10 per annum, payable on commencing business.

SEASIDE—For each agency, \$5 per annum; for each company, \$5, payable January 1.

PENNSYLVANIA.

STATE REQUIREMENTS.

AGENTS DEFINED—Law of June 1, 1911, Sec. 17, as amended in 1913.

"* * * Any person soliciting risks, forwarding premiums or counter-signing or delivering policies shall be deemed to be the agent of the company within the meaning of this section." Sec. 22. "A person not a duly licensed insurance broker who for compensation solicits insurance on behalf of an insurance company, or transmits for a person other than himself an application for or a policy of insurance to or from such company, or offers or assumes to act in the negotiation of such insurance, shall be an insurance agent within the intent of this act, and shall thereby become liable to all the duties, requirements, liabilities and penalties to which an agent of such company is subject." An agent is allowed commission on risks on his own property.

AGENTS' LICENSES—Law of June 1, 1911, Sec. 14 (as amended in 1913):

Sec. 14. "Companies to which certificates of authority are issued shall, from time to time, certify to the Insurance Commissioner the names of all agents appointed by them to solicit risks in this Commonwealth. Such agents may be either individuals, copartnerships or corporations. No agent shall transact any business until a certificate has been procured from the Commissioner, showing that the company has complied with the requirements of law, and that the person, copartnership or corporation named in said certificate, has been duly appointed as its agent. No license shall be issued to a corporation unless by its charter it is authorized to engage in the insurance or real estate business. When a license is issued to a copartnership or corporation every officer and each director thereof who engages in the business of soliciting insurance, and each member of the copartnership shall be required to have an individual license; but no additional fee shall be exacted for issuing the license to the corporation or copartnership." Licenses expire March 31, annually. Penalty for acting for unauthorized company, fine of \$300 to \$1000 for first offense, and a like fine and imprisonment not exceeding one year for second offense, or either or both at option of court. Agent for unauthorized company is personally liable on all contracts.

ANNUAL STATEMENTS—Must be filed on or before March 1, showing condition and business for year ending December 31 preceding. Penalty for non-compliance, \$100 for each day's neglect, and suspension of license on notification by Commissioner. Other State and foreign companies are only required to file these annual statements and "Tax Statements" annually with Insurance Commissioner. Domestic companies also file annually in November (with the Auditor-General) a report of assets and

liabilities, and they also file with the Auditor-General semi-annual statements of premiums received.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—No prohibition of co-operation. See "Rating Bureaus to be Maintained."

ANTI-REBATE—Act of July 12, 1913, Sec. 1. "No insurance company, association, or society, by itself or any other party, and no insurance agent, solicitor, or broker, personally or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or on any policy or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind, or any other valuable consideration or inducement, to or for insurance on any risk in this Commonwealth, now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, association or society, agent, solicitor, or broker, personally or otherwise, offer, promise, give, option, sell, or produce any stocks, bonds, securities or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever, as inducement to insurance or in connection therewith, which is not specified in the policy; provided, that nothing in this section shall be construed to prevent the taking of a bona fide obligation with legal interest, in payment of any premium." Penalty for violation, revocation of license.

Sec. 2. "No insured person or party, or applicant for insurance, shall, directly or indirectly, receive or accept, or agree to receive or accept, any rebate of premium, or of any part thereof, or all or any part of any agent's, solicitor's, or broker's commission thereon, or any favor or advantage or share in any benefit to accrue under any policy of insurance, or any valuable consideration or inducement, other than such as are specified in the policy." Penalty for violation, fine not exceeding \$500, or imprisonment for not more than six months, or both. The rating law of 1915 forbids unfair discrimination between risks of essentially the same hazard.

ATTORNEY—The Insurance Commissioner must be appointed attorney for service of legal process.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—Company must have capital of at least \$100,000 to transact either fire or inland marine insurance, or \$200,000 to transact both classes of insurance, or \$400,000 for fire, inland and ocean marine. Other State companies must have \$200,000 capital or \$400,000 to do fire, inland and ocean marine.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—A foreign company must have \$200,000 on deposit in one of the United States, or \$400,000 to do fire, inland and ocean marine business.

DOMESTIC COMPANIES—Joint stock companies may be organized by ten or more citizens. A mutual company must incorporate the word "mutual" in its title.

EXAMINATIONS—The Insurance Commissioner is vested with authority to examine domestic and foreign companies whenever he deems it necessary and expedient, and is also authorized to examine any corporation engaged in organizing or selling stocks of an insurance company or companies, or which is holding the stock of one or more insurance companies for the purpose of controlling the management thereof, and may suspend the certificates of companies found to be in unsatisfactory condition. Domestic companies must be examined at least once in three years.

FEES—For filing certified copy of charter (once only), \$25; for filing statement (annually), \$20; for each certificate of authority to company or agent (of other than domestic company) and certified copy thereof, \$2 annually (license required for the firm or company, and also for each member of a firm and each officer and each director of a company, who engages in the business, no fee being charged for license to the firm or company); for each copy of any paper on file per folio, 20 cents; for affixing official seal, \$1; for each insurance broker's license, \$10 for individual and \$25 for firm or corporation, annually; for license to deal with unauthorized companies, \$100 annually; for service of process, \$2; for any other certificate, \$2. Fees are payable to the Insurance Commissioner. See "Reciprocal Law."

FIRE DEPARTMENT TAX—No provision. Fire patrol corporations are authorized to be organized in first-class cities, and a tax not to exceed two per cent of net premium receipts in such cities may be levied upon all organizations and agencies transacting fire insurance business therein. Statements and payments to be made semi-annually. Penalty for failure to make return within thirty days, \$100 for each month of default.

FIRE MARSHAL—Law of June 3, 1911, provides for the establishment of a State Fire Marshal's department. Companies must report all fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

IMPAIRMENT—Impairment of twenty per cent of capital or more must be made good within sixty days.

INVESTMENTS PRESCRIBED—Law of June 1, 1911, Sec. 16. "The capital of any fire or fire and marine insurance company of this Commonwealth shall be invested only as follows: First, in such real estate as it is authorized by this act to hold; second, in bonds of the United States or District of Columbia or of any State or Territory of the United States or Canada; third, in the legally authorized bonds or notes of any city, county, township, municipality, school or water district of this Commonwealth, or of any other State or Territory of the United States or Canada; fourth, in the bonds or notes of any solvent railroad or street railway corporation upon which no default in interest has been made; fifth, in ground rents and loans upon improved and unincumbered real estate; provided, that no loan on

such real estate shall exceed sixty-six and two-thirds per centum of the fair market value thereof at the time of making such loan." Sec. 17. "Any money over and above the capital of any such insurance company may be invested in the securities above enumerated or in the stock or other evidence of indebtedness of any solvent dividend-paying corporation created under the laws of this Commonwealth, or of any other State of the United States, or loaned upon the pledge of the same except its own stock or the stock of any other insurance company transacting like classes of business; provided, the current market value of such securities shall be at least twenty per centum more than the sum loaned thereon, but no such insurance company shall invest any of its funds in any unincorporated business or enterprise, nor in the stocks or evidence of indebtedness of any corporation, the owners or holders of which stock or evidence of indebtedness may in any event be or become liable on account thereof to any assessment except for taxes. Not more than one-fifth of its capital shall be invested in a single mortgage, nor shall any of its funds be loaned on personal security. If any investment or loan is made in a manner not authorized by this act the officers and directors making or authorizing the same shall be personally liable for any loss occasioned thereby." No domestic company shall purchase, hold or convey real estate except such as shall have been mortgaged to it in good faith, conveyed in satisfaction of debts, purchased at sales upon judgments, decrees or mortgages, etc., and any real estate so acquired which has been held for a period of more than five years from the date of purchase, receipt or acquisition, must be sold and disposed of within six months. Time may be extended by the Insurance Commissioner. A company may own real estate sufficient for the convenient accommodation of its business.

LICENSED BROKERS—Law of June 1, 1911, Sec. 19. "An insurance broker is a person, not an officer or agent of the company interested, who for compensation, acts or aids in any manner in obtaining insurance for a person other than himself." Provision is made for licensing brokers, and brokers' licenses may be issued to firms or incorporated agencies. No person shall act as an insurance broker without having obtained a license, under a penalty of \$300. Law of June 1, 1911, Sec. 27. "The Insurance Commissioner may issue a license revocable at any time permitting the person, firm or corporation named in such license to act as a broker to procure policies of fire or marine insurance from companies and associations not authorized to do business in this Commonwealth. Before any fire or marine insurance shall be procured under or by virtue of said license, there shall be executed and filed with the Insurance Commissioner by the licensed broker and also by the party desiring the insurance, an affidavit which shall have force and effect for one year only from date thereof setting forth that the party desiring insurance is, after diligent effort, unable to procure the amount required to protect the property owned or controlled or entrusted to him from fire or marine insurance corporations—mutual insurance corporations or associations excepted—duly authorized

to transact business in this Commonwealth. * * *." Sec. 28. "Each party receiving such license shall before transacting any business thereunder execute and deliver to the Insurance Commissioner a bond in the penal sum of \$1000, with such sureties as the Commissioner may approve, conditioned that said broker will faithfully comply with all requirements of the preceding section of this act and will pay to the Insurance Commissioner in January of each year a tax of three per centum upon the gross premiums named in the policies delivered to the policyholders and upon all policies procured by him in accordance with the preceding section during the year. Deductions shall be allowed for net premiums returned on policies canceled. * * *." Penalty for dealing with unauthorized companies without a license, \$300 to \$1000 for the first offense, and for a subsequent offense, a like fine and not exceeding one year's imprisonment, or either, or both. See "Resident Agents."

LIMIT ON A SINGLE RISK—None for stock companies. No risk may be written by a Lloyds exceeding one-fifth of its cash and invested assets.

LLOYDS—Under a law of 1915 a Lloyds association can be licensed in Pennsylvania to conduct fire, marine and automobile insurance. Underwriters must file with Insurance Commissioner sworn declaration of the association's statistics and copies of its policies and agreements. Deposits must be made aggregating from \$100,000 to \$200,000, according to classes of business transacted; and each underwriter who is not a citizen of the United States must deposit \$5000 with the Insurance Commissioner, unless he is a member of a group having not less than \$100,000 on deposit with United States Trustees. The underwriters must number at least 25, each to have \$20,000 in his own right beyond all debt or liability. By a law of June 27, 1913, any class of individuals designated subscribers are authorized to exchange reciprocal or inter-insurance contracts providing for any insurance loss, except life. Contracts to be executed by an attorney-in-fact. Statement must be filed with Insurance Commissioner, showing applications for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Deposit required with attorney, \$25,000. Commissioner must be appointed attorney for service of process. All fees and taxes same as required of regular stock companies. A reserve of 50 per cent of net annual deposits must be maintained; but this reserve shall at no time be less than \$25,000. Any violation punishable by a fine of from \$100 to \$1000.

MISCELLANEOUS—Two or more joint stock fire insurance companies authorized to transact business in Pennsylvania may issue a combination policy. Under a law passed June 1, 1911, the Insurance Commissioner is given authority to take charge of insolvent domestic insurance corporations. Misrepresentation is prohibited. Under a law (P. L. 262) passed in 1915, any person or persons found guilty of criminally burning a building or through negligence or disregard of an existing law or ordinance for the prevention of fire is responsible for a fire, in a city of the second class

shall be liable for all costs resulting therefrom, which shall be determined by the Director of the Department of Public Safety.

MUTUAL COMPANIES—All mutual companies are under supervision of the Insurance Department. See "Domestic Companies." A mutual company of another State may be licensed to transact fire insurance when it possesses a net surplus over reinsurance reserve and all other liabilities of not less than \$100,000. A mutual company writing inland and ocean marine insurance must have at least \$250,000 surplus.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a certified copy of its charter; verified statement showing its condition and affairs; copies of forms of all policies it proposes to issue in the State, and appointment of Insurance Commissioner as attorney. Penalty for doing business without a license, \$500 for each month, and no certificate will be granted until such fine is paid. Foreign companies must file certified copy of charter and certificate of deposit. Certificate of compliance with laws of home State is not required annually. Copy of charter and certificate of deposit need be filed but once, but any amendment of charter must be filed.

PUBLICATION—No publication of statements required.

RATING BUREAUS TO BE MAINTAINED—Every company must maintain or be a member of a rating bureau, but of not more than one bureau, for the purpose of rating the same risks (this provision does not apply to any mutual fire insurance companies doing business in Pennsylvania). Rating bureaus are placed under the supervision of the Insurance Commissioner, who may require the filing of schedules, rates, forms, rules, regulations and such other information as he may specify. The Commissioner shall have power to examine rating bureaus and shall examine them at least once every three years, but may waive such examination upon the filing of a report of an examination made by some other Insurance Department. Unfair discrimination in rates between risks of essentially the same hazard is forbidden. A company must file notice of a variation from the bureau rates with the bureau at least fifteen days in advance. No agreement is permissible which would require the insured to place insurance with any particular companies or agents. A bureau consisting of two or more insurers shall admit to membership any company authorized in Pennsylvania applying therefor if it shall agree to abide by the rules and regulations of such bureau. The expenses of the bureau shall be in proportion to gross premiums received to which may be added a reasonable annual fee. Every company must keep the Insurance Department informed as to the rating bureaus of which it is a member. A rating bureau must inspect every risk, specifically rated by it upon schedule, and make a written survey of such risk, a copy of which shall be furnished to the owner of the property or his authorized agent upon request. No company or bureau shall enter into any agreement regulating the making or fixing of rates in the State except as provided in this act. (P. L. 898, 1915.)

RECIPROCAL LAW—Law of June 1, 1911, Sec. 30. "If, by the laws of any other State, any taxes, fines, penalties, licenses, fees, or other obligations or prohibitions additional to or in excess of those imposed by the laws of this Commonwealth upon insurance companies of other States and their agents, are imposed on insurance companies of this Commonwealth and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State doing business in this Commonwealth, so long as such laws remain in force."

REINSURANCE—Law of May 8, 1899, Sec. 2. "No fire insurance company or association shall reinsure, in any manner whatsoever, the whole or any part of a risk taken by it on property situated or located in this State, in any other company or association not authorized to transact business in this State. No fire insurance company or association shall transfer or cede, in any manner whatsoever, to any company or association not authorized to do business in this State any risk or liability, or any part thereof, assumed by it under any form or contract of insurance covering property located in this State, including any risk or liability under any general or floating policy, or any agreement, general, floating or specific, to reinsure excess loss by one or more fires. No fire insurance company or association shall reinsure or assume, as a reinsuring company or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability, covering property located in this State, of any insurance company or association not authorized to transact business in this State." Sec. 4. "Every fire insurance company or association shall annually, and at such other times as the Insurance Commissioner may require, in addition to all returns now by law required of it or its agents or managers, make a return to the Insurance Commissioner, in such form and detail as may be prescribed by him, of all insurance or cessions of risk, or liability contracted for or affected by it, whether by issue of policy, entry on bordereau, or general participation agreement, or by excess loss reinsurance, or in any other manner whatsoever, upon property located in this State, or covering, whether specified or otherwise, any risk or liability upon property so located; such return to be certified by the oath of its president and secretary, if a company or association of one of the United States, and if a company or association of a foreign company by the oath of its managers in the United States, as to such reinsurance or cessions effected through its branch office in the United States, and by the oath of its president and secretary, or by officers corresponding thereto at its home office, wherever located, as to reinsurance or cessions, as aforesaid, contracted for, or effected through, the foreign office. The refusal of any such company or association to make the returns herein required shall be presumptive evidence that it is guilty of violating the provisions of the second section of this act, and shall subject it to the penalties prescribed and imposed by this act." Penalty for each wilful violation, \$500; for non-payment of fine within thirty days, revocation of license, to continue at least one year.

REINSURANCE RESERVE—Law of June 1, 1911, Sec. 7, provides that for fire insurance companies the Insurance Commissioner shall charge fifty per centum of the premiums received on all unexpired risks that have one year or less to run, and a pro rata on all premiums received on risks that have more than one year to run; and in marine and inland insurance he shall charge fifty per cent on the premiums written on yearly risks and all the premiums received on all other marine and inland unexpired risks; on perpetual business the deposits received, less a surrender charge of not exceeding ten per cent thereof, as a reinsurance reserve.

RESIDENT AGENTS—Law of May 8, 1899, Sec. 1. "No fire insurance company or association not incorporated under the laws of this State, authorized to do business herein, shall make, write or place, or cause to be made, written or placed, any policy or duplicate policy or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State, except after the said risk has been approved in writing by an agent who is a resident of this State, regularly commissioned and licensed, to transact insurance business herein, who shall countersign all policies and receive the commission thereon, when the premium is paid. * * *" Railroad rolling stock and property in transit are excepted. A ruling of the Insurance Department is to the effect that it is unnecessary to have reinsurance policies written and countersigned by a resident agent, as the original policy has been so issued. Penalty, same as under "Reinsurance."

SEMI-ANNUAL STATEMENTS—See "Tax Statements." Also "Fire Department Tax."

STANDARD POLICY—A standard form of fire insurance policy, differing slightly from the form recommended by the National Convention of Insurance Commissioners, has been adopted, to go into effect on January 1, 1915.

TAXES—Companies of other States and countries are taxed on gross premiums received in State, two per cent, allowing deductions for return premiums and reinsurance premiums, where the reinsurance is placed in companies authorized to transact business in Pennsylvania. Domestic companies pay eight mills on the dollar of gross premiums; ten per cent added for thirty days' delay in payment. Licensed brokers pay three per cent on gross premiums on risks placed with unauthorized companies. Penalty for neglect to pay tax, non-renewal of certificate until paid. Taxes must be paid into the State Treasury.

TAX STATEMENTS—Must be filed semi-annually by July 31 and January 31, by domestic companies with Auditor-General; by other companies, annually on or before March 1 with Insurance Commissioner. See "Reinsurance." Credit is given for reinsurance in authorized companies.

VALUED POLICY—No requirement.

COUNTY TAXES AND FEES.

Law of 1915, No. 122, prohibits the levying by any city, county or municipality of any tax or license on any insurance agent, broker or company other than the regular State licenses and fees.

MUNICIPAL TAXES AND FEES.

Law of May 3, 1915. “* * * It shall be unlawful for any city, county, or municipality to impose or collect any license fee upon insurance companies or their agents, or insurance brokers, authorized to transact business under an act approved the first day of June, 1911. * * *”

PHILADELPHIA—Fire Insurance Patrol, one per cent of net premiums, payable semi-annually.

PHILIPPINE ISLANDS.

AGENTS' LICENSES—Agents must secure licenses from the Insurance Commissioner before being entitled to transact business and receive commissions. Licenses are renewable annually before July 1. Original certificate shall be issued by the Insurance Commissioner only upon a written application from the person desiring such authority, such application being approved and countersigned by the company such person desires to represent; renewal certificate may be issued upon application of the company. Violation of law is punishable by a fine of 500 pesos and revocation of license. Person acting as agent for unlicensed company is punishable by a fine of 200 pesos, or imprisonment for two months, or both. Provision is made for placing insurance in unauthorized companies. See "Licensed Brokers." A privilege tax of 40 pesos is payable to the Bureau of Internal Revenue by each insurance agent, broker or solicitor, and applies to every individual who receives any commission or other compensation for services in obtaining new insurance. (The value of a peso is about 50 cents in United States currency.) This tax is payable in quarterly installments.

ANNUAL STATEMENTS—Must be filed with the Insurance Commissioner on or before April 30, if fiscal year ends December 31; otherwise, within four months after close of fiscal year. An extension of not exceeding three months may be granted, if necessary.

ANTI-DISCRIMINATION—All conditions relating to insurance must be expressed in the policy. Rebates or discriminations in rates on risks of the same class are forbidden. Insurance Law, Sec. 190. "Discrimination against a citizen of the Philippine Islands, whereby such citizen is given less advantageous rates, dividends, or other policy conditions or privileges than are accorded to Caucasians because of his race, is prohibited."

ATTORNEY—A foreign company must designate some resident of the Philippine Islands to receive service of legal process, the Insurance Commissioner being empowered to receive service in the absence of such attorney.

CANCELLATION—The Insurance Act, Sec. 75. "A person insured is entitled to a return of the premium when the contract is voidable, on account of the fraud or misrepresentation of the insurer, or of his agent or on account of facts, of the existence of which the insured was ignorant without his fault; or when, by any default of the insured other than actual fraud, the insurer never incurred any liability under the policy." Sec. 76. "In case of an over-insurance by several insurers the insured is entitled to a ratable return of the premium, proportionate to the amount by which the aggregate sum insured in all the policies exceeds the insurable value of the thing at risk."

CAPITAL REQUIRED—Foreign companies must have unimpaired capital or assets and reserve not less than is required of domestic companies (See "Deposit"). A domestic company must have a subscribed capital of at least

250,000 pesos, of which fifty per cent must be paid up in cash before the company begins business and the balance within twelve months after the date of filing of its articles of corporation. If the company fails to complete the capital payment within the prescribed time, it shall not be permitted to write new risks. A mutual company must have available cash assets of at least 250,000 pesos above all liabilities, including legal reserve.

DEPOSIT—Insurance Law, Sec. 172. "No foreign insurance company shall engage in business in the Philippine Islands unless possessed of paid-up unimpaired capital (or assets) and reserve not less than that herein required of domestic insurance companies; and no insurance company organized or existing under the government or laws other than those of the Philippine Islands or any State of the United States shall engage in business in the Philippine Islands until it shall have deposited with the Insurance Commissioner for the benefit and security of its policyholders and creditors in the Philippine Islands securities satisfactory to the Insurance Commissioner, consisting of bonds of the United States or of the Philippine Islands or of the city of Manila or of municipalities in the Philippine Islands authorized by law to issue bonds, or of the Government in which such company is organized, or other good securities to the actual market value of one hundred thousand pesos. *Provided*, That if a company organized or existing under the laws of any government outside of the United States and the Philippine Islands shall have made a deposit with the Insurance Department of some one of the States of the United States of securities of the character above described to the actual market value of at least four hundred thousand pesos, in exclusive trust for the benefit and security of all the company's policyholders and creditors in the United States and its possessions, such deposit shall be held to be in lieu of the deposit required by this section; *And, provided further*, That it shall be a sufficient compliance with the provisions of this section if the deposit herein required be made with the Chief of the Bureau of Insular Affairs of the War Department at Washington or with a safe deposit company designated by that officer, which company shall agree to hold the securities so deposited subject to the control of the Chief of the Bureau of Insular Affairs as the representative of the Insurance Commissioner of the Philippine Islands."

DOMESTIC COMPANIES—Domestic companies may be formed, but shall not adopt the name of any existing company transacting a similar business or any name so similar as to be calculated to mislead the public. See "Capital." Provision is made for the investment of funds. See "Investments Prescribed."

EXAMINATIONS—Companies must keep their records in such manner that the Insurance Commissioner may readily verify their statements, and ascertain whether they are solvent and have complied with the provisions of the law. He must examine each domestic company annually, and whenever he considers it advisable.

Insurance Law, Sec. 175. "If the Insurance Commissioner is of the opinion upon examination or other evidence that any foreign or domestic insurance company is in an unsound condition, or that it has failed to comply with any provision of law obligatory upon it, or that its condition is such as to render its proceedings hazardous to the public or to its policyholders or that its actual assets exclusive of its capital are less than its liabilities, including unearned premiums and reinsurance reserve, the Insurance Commissioner is authorized, subject to appeal to the Secretary of Finance and Justice, to revoke or suspend all certificates of authority granted to such insurance company, its officers or agents, and no new business shall thereafter be done by such company or for such company by its agents in the Philippine Islands while such revocation, suspension or disability continues or until its authority to do business is restored by the Insurance Commissioner. The decision of the Secretary of Finance and Justice in all such cases shall be final."

GENERAL PENALTIES—Insurance Law, Sec. 203. "Any person who knowingly violates any provisions of this chapter for which no penalty is provided, shall upon conviction be punished by a fine not exceeding five hundred pesos or by imprisonment not exceeding five months, or both, by such fine and imprisonment in the discretion of the court."

IMPAIRMENT—See "Examinations."

INVESTMENTS PRESCRIBED—Insurance Law, Sec. 197. "No insurance corporation shall loan any of its money or deposits except upon first mortgages or deeds of trust of unincumbered improved real estate, in cities and centers of population of municipalities in the Philippine Islands when the amount of such loan is not in excess of sixty per centum of the value of such real estate, or upon the security of first mortgages or deeds of trust of actually cultivated, improved and unincumbered agricultural lands in the Philippine Islands when the amount of such loans is not in excess of forty per centum of the value of such land, or upon bonds or other evidence of debt of the Government of the United States, or of the Philippine Islands, or of the City of Manila, or of municipalities in the Philippine Islands authorized by law to issue bonds, or such other securities, deposited as collateral, as may be approved by the Insurance Commissioner; *Provided, however,* That a life insurance corporation may loan its money upon the security of a policy to an amount not exceeding the net reserve value of the policy at the time said loan is made."

Sec. 198. "No loan by any insurance corporation on the security of real estate shall be made unless the title to such real estate shall have first been registered in accordance with the Land Registration Act, or shall be a *titulo real* duly registered, or have been previously registered under the provisions of the Mortgage Law; that is, under the system of registration established by the laws in force on the date of the passage of Act numbered 496, entitled 'The Land Registration Act.'"

Sec. 199. "It shall be the duty of the officers of the corporation to

report quarterly on the first days of January, April, July and October of each year to the Insurance Commissioner a list of such investments as may be made by them, and the Insurance Commissioner may, if such investments, or any of them, seem injudicious to him, require the sale of the same.

Sec. 200. "Insurance corporations may purchase, hold, own and convey real and personal property as follows:

(a) "The lot with the building thereon in which the corporation conducts and carries on its business.

(b) "Such property, real and personal, as may have been mortgaged, pledged, or conveyed to it in good faith in trust for its benefit by reason of money loaned by it in pursuance of the regular business of the corporation, and such real or personal property as may have been purchased by it at sales under pledges, mortgages, or deeds of trust for its benefit on account of money loaned by it, and such real and personal property as may have been conveyed to it by borrowers in satisfaction and discharge of loans made by the corporation to them; *Provided, however,* That any real estate purchased by said corporation in payment or by reason of any loan made by said corporation shall be sold by the corporation within five years after the title thereto has been vested in it.

(c) "Bonds and other evidences of debt of the Government of the United States or of the Philippine Islands or of the city of Manila or of any municipality in the Philippine Islands authorized by law to issue bonds at the reasonable market value thereof, and such other securities as may be approved by the Insurance Commissioner."

LICENSES—Every company is required to secure a license from the Insurance Commissioner, which license shall expire on June 30, and must be renewed annually by a company continuing business in the Philippine Islands.

LIMIT ON A SINGLE RISK—Ten per cent of net assets, unless excess risk is reinsured simultaneously.

LLOYDS—Insurance Law, Sec. 170. "For the purposes of this chapter, unless the context otherwise requires, the terms 'company' or 'insurance company' shall include all corporations, associations, partnerships, or individual engaged as principals in the insurance business, excepting fraternal and benevolent orders and societies."

Sec. 202. "No person, partnership, or association of persons shall engage in the business of insurance in the Philippine Islands except as agent of a person or corporation authorized to do the business of insurance in the Philippine Islands, unless possessed of the capital and assets required of an insurance corporation doing the same kind of business in the Philippine Islands and invested in the same manner; nor unless the Insurance Commissioner shall have granted to him or them a certificate to the effect that he or they have complied with all the provisions of law which an insurance corporation doing business in the Philippine Islands

is required to observe. Every person, partnership, or association receiving any such certificate of authority shall be subject to the insurance laws of the Philippine Islands and to the jurisdiction and supervision of the Insurance Commissioner in the same manner as if an insurance corporation authorized by the laws of the Philippine Islands to engage in the business of insurance specified in the certificate."

MISCELLANEOUS—Insurance Law, Sec. 171, authorizes the Insurance Commissioner to issue such rulings, instructions and orders as he may deem necessary to secure the enforcement of the insurance law, subject to the approval of the Secretary of Finance and Justice.

MUTUAL COMPANIES—Provision is made for the organization of mutual companies. See "Capital" and "Domestic Companies."

PRELIMINARY DOCUMENTS—Before engaging in business, a company must file with the Insurance Commissioner certified copy of its last annual statement or a verified financial statement showing its conditions and affairs; if a domestic company, a certified copy of its articles of incorporation and by-laws, with amendments; if a foreign corporation, a certified copy of its articles of corporation and by-laws, with amendments, and a certificate from the proper officer of the State or county where such company is located that it is authorized under the laws of such State or country, and has the amount of capital stock or assets and legal reserve required by the insurance law of the Philippine Islands; if not incorporated, a certificate stating the nature and character of the business, its location, the names of the persons and all those composing the company, firm or association; the amount of actual capital employed or to be employed therein, and the names of those managing its affairs; the appointment of the resident as attorney, the Insurance Commissioner being authorized to act in his absence.

PUBLICATION—Annual statement, when approved, must be published in two papers of general circulation in Manila, one published in English and one in Spanish.

REINSURANCE RESERVE—Fifty per cent of gross premiums received on policies or risks having not more than a year to run, and pro rata on all gross premiums received having more than a year to run. For marine risks, fifty per cent of premiums written in policies upon yearly risks, and the full amount of the premiums written in the policies upon all other marine risks not terminated.

TAXES—There is a documentary stamp tax levied upon all policies of insurance or other instruments by whatever name the same may be called, by which insurance shall be made or renewed upon property of any description, including rents or profits, against perils by sea or on inland waters, or by fire or lightning, or each four pesos (\$2) or fractional part thereof, of the amount of premium charged, two centavos (1 cent).

A tax of one per cent upon the total premiums collected during each calendar year, whether paid in money, notes, credits, or any substitute

for money, less premiums refunded within six months after payment to persons insured, must be made to the Collector of Internal Revenue; "nor shall any tax be paid upon reinsurance by a company that has already paid the tax." This tax is due on July 1, for the preceding calendar year; and if it remains unpaid for fifteen days thereafter the amount shall be increased by twenty-five per cent. No credit allowed for reinsurance in unauthorized companies.

TAX STATEMENTS—Must be rendered on or before April 1, yearly, to the Collector of Internal Revenue.

VALUED POLICY—Insurance Law, Sec. 164. "Whenever the insured desires to have a valuation named in his policy, insuring any building or structure against fire, he may require such building or structure to be examined by the insurer and the value of the insured's interest therein shall be thereupon fixed by the parties. The cost of such examination shall be paid for by the insured. A clause shall be inserted in such policy stating substantially that the value of the insured's interest in such building or structure has been fixed. In the absence of any change increasing the risk without the consent of the insurer or of fraud on the part of the insured, then in case of a total loss under such policy the whole amount so insured upon the insured's interest in such building or structure, as stated in the policy upon which the insurers have received a premium shall be paid, and in case of a partial loss the full amount of the partial loss shall be so paid, and in case there are two or more policies covering the insured's interest therein, each policy shall contribute pro rata to the payment of such whole or partial loss. But in no case shall the insurer be required to pay more than the amount thus stated in such policy. This section shall not prevent the parties from stipulating in such policies concerning the repairing, rebuilding, or replacing buildings or structures wholly or partially damaged or destroyed."

PORTO RICO.

AGENTS DEFINED—Act of March 7, 1912. Sec. 2. "That the term 'agent,' as used in Sections 66 and 67 of the Civil Code, as used in this Act, and elsewhere unless the context otherwise requires, shall, when referring to the representative of any insurance company, corporation, association, partnership or individual doing insurance business, be deemed to mean any person who shall receive or transmit applications for insurance, other than for himself, or receive for delivery bonds, policies or certificates of suretyship or insurance founded on applications from this Island or otherwise procure, other than for himself, insurance or suretyship to be effected by them on bonds, policies or certificates of suretyship or insurance, or the bonds, policies or certificates of suretyship or insurance given to persons or corporations in Porto Rico." Penalty for acting for an unlicensed company, a fine of not less than the amount of all premiums paid by or through him, or imprisonment for not less than thirty days nor more than two years, or both.

ANNUAL STATEMENTS—Must be filed in the office of the Secretary of Porto Rico at San Juan, not later than March 15. Copies must also be filed in January in the office of the Treasurer of Porto Rico.

ANTI-REBATE—Act of March 7, 1912. Sec. 18. "No company, corporation, association, partnership or individual doing an insurance business in Porto Rico, or any agent or representative thereof, shall pay or allow directly or indirectly, or offer to pay or allow, as inducement to insurance, any rebate or premium payable on the policy, commission or brokerage on any insurance made in Porto Rico, to any but an authorized agent or representative of a company legally authorized to do business in Porto Rico. Any violation of this section shall be punished by a fine of not less than \$100 nor more than \$500 for each separate offense."

ATTORNEY—A resident must be appointed to receive service of process.

COMMISSION TO NON-RESIDENTS—Payment of commission or brokerage on any insurance made in Porto Rico to any but an authorized agent or representative of a company legally authorized to do business in Porto Rico, is prohibited. Penalty for violation, fine of \$100 to \$500 for each offense.

DEPOSITS—All authorized companies which were doing business in Porto Rico March 7, 1912, and continued business therein were required on or before July 1, 1912, to make a deposit valued at at least \$50,000, and to increase such deposit up to \$150,000, if original deposit is deemed insufficient by the Treasurer of Porto Rico. Foreign companies entering Porto Rico for business after July 1, 1912, must make an initial deposit of \$100,000, which, if subsequently found insufficient, must be increased to a maximum of \$200,000. Provided, that the Executive Council may accept, in lieu of all but \$10,000 of such deposits, of any insurance company, a certificate issued under the hand and official seal of the auditor, comptroller or general fiscal officer of any State of the United States that such company has on deposit in such State for the benefit of all the policyholders of the corporation in

the United States and Porto Rico the lawful amount of securities required by such State and of the actual cash value of not less than two hundred thousand (\$200,000) dollars.

DOMESTIC COMPANIES—Provision is made for the organization of domestic companies.

FEES—Act of March 7, 1912. Sec. 63a. "The Secretary of Porto Rico shall charge and collect, for the use of the people of Porto Rico, the following fees, which in all cases must be paid in internal revenue stamps, affixing the stamps to the documents and cancelling the same: (1) For receiving and filing the charter or articles of incorporation of any company or corporation, foreign or domestic, organized for pecuniary profit, he shall charge and collect the sum of 15 cents on each \$1000 of authorized capital stock; provided, however, that no company or corporation shall pay a filing fee of less than \$25 nor more than \$500 for filing its charter or articles of incorporation; and provided, further, that for every certificate of increase of authorized capital stock he shall charge and collect the sum of 15 cents on each \$1000 of such increase, and the total amount so paid for filing the charter or articles of incorporation and for filing any certificate of increase of authorized capital stock shall not exceed \$500. (2) For recording a charter or articles of incorporation, or amendments thereto, 20 cents for each 100 words. (3) For issuing each certificate of registration or of corporate existence, \$3. (4) For filing and recording notice of appointment of agent, \$5. (5) For filing and recording a resolution of the Board of Directors for removal of principal place of business under the provisions of section 17 hereof, \$5. (6) For filing certificate of increase or of decrease in authorized capital stock, \$5, in addition to the fee provided for increase of authorized capital stock. (7) For issuing certificate of increase or decrease of authorized capital stock, \$5. (8) For filing certificate of discontinuance of existence, \$3. (9) For issuing certificate of discontinuance of existence, \$3. In addition, companies are required to pay to the Treasurer of Porto Rico an annual license fee of \$25.

INVESTMENTS PRESCRIBED—The deposits required must be made in the following named securities: Bonds of the people of Porto Rico or bonds for which the good faith of the people of Porto Rico is pledged, or bonds of the United States, or good local interest-bearing or dividend-paying securities in Porto Rico, or other good securities acceptable to the said Treasurer and to be approved by the Executive Council; provided that at least \$10,000 of said securities shall be in local public utility, banking, industrial, or agricultural securities in Porto Rico, or bonds of the people of Porto Rico, or bonds for which the good faith of the people of Porto Rico is pledged, such securities to be acceptable to the Treasurer of Porto Rico.

LIMIT ON A SINGLE RISK—Act of March 7, 1912. Sec. 13. "No fire insurance company, corporation, association, partnership, or individual writing fire insurance in this island shall expose itself to loss on any one risk to an amount exceeding ten per cent of its paid-up capital and surplus,

unless the excess shall be reinsured by it in some good reliable company or companies."

MISCELLANEOUS—Act of March 7, 1912. Sec. 9. "No insurance company, corporation, association, partnership or individual doing an insurance business in Porto Rico shall limit the term within which any suit shall be brought against it to a period less than one year from the time when the loss insured against shall occur."

MUTUAL COMPANIES—Law of March 7, 1912. Sec. 11. "Every mutual company shall cause to appear in the body of its insurance policies the total amount for which the assured may be liable under the charter or articles of association of said company."

PRELIMINARY DOCUMENTS—Foreign and domestic companies are required to file certified copies of their charters, together with verified statements, certificates of consent to be sued, and appointments of agents and written consent of agents.

RESIDENT AGENTS—Business is required to be written through resident agents.

SEMI-ANNUAL STATEMENTS—To be made to the Treasurer of Porto Rico, showing the gross premium collections.

STANDARD POLICY—The Treasurer of Porto Rico may prescribe standard forms of policy and other insurance contracts and application blanks, and he shall have power to make all rules and regulations deemed necessary to properly carry out the provisions of this act and of Section 354 of the Political Code, and such rules and regulations, shall, when approved by the Executive Council, have the force of law, and non-compliance therewith may, in the discretion of the said Treasurer, be punished by an executive fine of not to exceed \$10 for each offense; provided, that such fine may be remitted by the proper court.

TAXES—A tax of three per cent of the gross amount of all premiums or funds collected in Porto Rico is imposed, payable semi-annually, and insurance companies are required to pay an annual tax of not less than 1.20 per cent, generally not more than 1.50 per cent, on all property owned by them in Porto Rico. There is also "a special stamp tax, to be paid by the affixture of internal revenue stamps, as follows: For each bond or obligation of the nature of indemnity for loss, damage or liability, * * *; half of one cent on each \$1 or fractional part thereof of the amount of premium charged, * * *; for each policy of insurance or other instrument, by whatsoever name it may be called, by which insurance is made or renewed upon property of any description against peril by sea or by fire or lightning, or other peril, half of one cent on each \$1 of the amount of premium charged."

TAX STATEMENTS—Must be filed with the Treasurer of Porto Rico January 1 and July 1, showing the monthly gross premium collections. Tax statements for general property taxes must be filed as of date of January 15, or whenever company is notified.

MUNICIPAL TAXES AND FEES.

In all towns.

RHODE ISLAND.

STATE REQUIREMENTS.

AGENTS DEFINED—Chap. 220, Sec. 10. "Every person who acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for any person other than himself, and receiving compensation therefor, and every person who shall so far represent any insurance company, established in any other State or country, as to receive or transmit proposals for insurance, or to receive for delivery policies founded on proposals forwarded from this State, or otherwise to procure insurance to be effected by such company for persons residing in this State, shall be deemed and taken to be acting as agent for and undertaking to make insurance as agent for and in behalf of such company, and shall be subject to the restrictions and liable to the penalties herein made applicable to agents of such companies." Chap. 39, Sec. 9. "Every person who acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks or effecting insurance or reinsurance, for any person other than himself, and receiving compensation therefor, in any insurance company not incorporated under the authority of this State, and who is accountable to any agent in this State of such insurance company for premiums received, shall be known and designated as a sub-agent.

AGENTS' LICENSES—Chap. 220, Sec. 18. "No person shall act as agent of any insurance company until such company and such agent shall have complied with all the requirements of the laws of this State relating to such companies and their agents, nor until he has received from the Insurance Commissioner a license stating that such insurance company has complied with all the requirements of this State relating to the qualifications of such agents to do business in this State, which license shall contain the date of its issue, the name of the agent, the name of the company for which he is agent, the place of his business and his residence, and that said license will expire on the first day of April then next succeeding, unless revoked by the Insurance Commissioner. * * *" Penalty for violation, fine of \$1000. Each agent must file a bond for at least \$200 with the general treasurer. Agents of foreign companies in any town are not permitted to establish a branch office in any other town in the State. Applications for license should be filed by company or general agent by April 1. Every agent of a fire insurance company must be licensed as a general agent. All employees of an agency working on a commission basis are required to be licensed. Agents are not allowed to solicit business for a company having less than \$100,000 capital.

ANNUAL STATEMENTS—Must be filed on or before the first day of February, showing condition as of December 31 preceding. Penalty for violation, see "General Penalty." Penalty for refusing or neglecting to answer interrogatories concerning statement for thirty days, fine of \$1000. These statements and tax statements are only once required annually.

ANTI-COINSURANCE—No statute forbidding use of coinsurance clauses.

ANTI-COMPACT—No prohibition of co-operation.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—Insurance Commissioner must be appointed attorney to accept service of legal process.

CANCELLATION OF POLICY—Provided for by standard policy. Five days' notice required.

CAPITAL REQUIRED—Company must possess a paid-in capital of at least \$100,000.

COMMISSIONS TO NON-RESIDENTS—No provision. See "Licensed Brokers."

DEPOSIT REQUIRED—Companies of foreign countries are required to deposit \$200,000 with Insurance Commissioner of Rhode Island or the proper officer of some other State, prior to admission, in securities which shall be, at all times, at or above par. (Chap. 220, Sec. 8.)

DOMESTIC COMPANIES—The general requirements are same as for other companies. Provision is made for the optional establishment of guaranty surplus and special reserve funds. Premiums of domestic companies not taxed in other States are taxed in Rhode Island, as follows: Mutual companies, one per cent; stock companies, two per cent.

EXAMINATIONS—Chap. 219, Sec. 2. "The Insurance Commissioner shall, whenever requested by the Governor, visit any insurance company incorporated in this State, and shall have free access to its vaults and all its books and papers, and shall, if he deem it expedient, thoroughly inspect and examine all the affairs of such company and make all such inquiries as may in his opinion be necessary to ascertain the condition of such company and its ability to fulfil all its engagements, and whether it has complied with the provisions of law applicable to its transactions." Sec. 3. "The Insurance Commissioner may summon and examine under oath all directors, officers and other agents of such insurance company, and such other witnesses as he may think proper in relation to the affairs, transaction and condition of the same, and any such director, officer, agent or other person who shall refuse without justifiable cause to appear and testify whenever thereunto required as aforesaid, or who shall in any way obstruct said Commissioner in the discharge of his duties as prescribed in this chapter, shall be fined not exceeding \$5000 or be imprisoned not exceeding two years, and in case the person so refusing or obstructing as aforesaid be a director, officer or agent of such company, such company may be proceeded against as hereinafter provided." Chap. 220, Sec. 23. "The Insurance Commissioner, either personally or by a committee appointed by him, consisting of one or more persons not directors, officers or agents of any life, fire, marine, or fire and marine insurance company, doing business in this State, may at any time examine into the affairs of any life, fire, marine, fire and marine, casualty or any other insurance company, incorporated by, or doing business in, this State. * * * All the expenses of an examination made

under the provisions of this section shall be approved by and paid to the Commissioner by the company examined." Certificates of agents of insolvent or fraudulent companies shall be revoked.

FEES—For filing copy of its charter or deed of settlement, \$30; for filing statement preliminary to admission, \$20; for filing annual statement, \$20; for general agent's (or firm's) certificate, \$2; for each broker's license, \$10; for each service of process, \$2; for publication of advance abstracts, \$1. For examinations, actual expenses incurred. See "Retaliatory Law." Fees are payable to the Insurance Commissioner.

FIRE DEPARTMENT TAX—No provision. See "Retaliatory Law."

FIRE MARSHAL—Provision for investigation of fires by local authorities.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—No provision.

GENERAL PENALTY—Chap. 220, Sec. 17. "If any insurance company, co-operative or otherwise, shall make insurance without complying with the provisions of this chapter, the contract shall be valid, but every person acting within this State as agent of such company within the meaning of Sec. 10 of this chapter, respecting the effecting of any insurance, shall be fined not less than \$300, nor more than \$1000."

IMPAIRMENT—Chap. 220, Sec. 23. " * * * Whenever it shall appear to the Insurance Commissioner, from the statements, or from any examination of the affairs of any life, fire, marine, fire and marine, casualty, or other insurance company, not incorporated under the authority of this State, that such company is insolvent, or is conducting its business fraudulently, or refuses or neglects to comply with the laws of the State relating to insurance companies, it shall be the duty of said Commissioner to revoke the certificate of authority issued to the agent or agents of any such company * * *."

INVESTMENTS PRESCRIBED—No provision.

LICENSED BROKERS—Chap. 221, Laws 1909. "Whoever, for compensation, acts or aids in any manner in negotiating contracts of insurance or reinsurance, or placing risks, or effecting insurance or reinsurance for a person other than himself, and not being the appointed agent or officer of the company, in which such insurance or reinsurance is effected, shall be deemed an insurance broker." Licenses are issued to brokers (including non-residents), which are renewable annually.

LIMIT ON A SINGLE RISK—One-tenth of the amount of paid-in capital.

LLOYDS—Chap. 220, Sec. 2. "The general provisions of law relating to the duties, obligations, prohibitions or penalties which appertain to insurance companies not incorporated under the authority of this State, and defining the powers and duties of the Insurance Commissioner in reference thereto, shall be and they are applicable to all corporations, companies and associations, not incorporated under the authority of this State, and to all partnerships and individuals doing, as principals or otherwise, in this State, any insurance business of any name, kind or description whatsoever."

MISCELLANEOUS—If the charter, by-laws or contracts of any foreign company contain a provision that no action shall be brought against the com-

pany in any court of competent jurisdiction in Rhode Island, the licenses of such company and its agents shall be revoked. There is a safety fund law somewhat similar to that of New York, which see.

MUTUAL COMPANIES—See "Domestic Companies." Mutual companies may decline to receive premium notes, provided policyholders are made liable by the policy contract up to twenty times the cash premium paid.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a certified copy of its charter, a verified statement showing the condition and affairs of the company, copy of examination by home State authorities, power of attorney appointing the Insurance Commissioner attorney to accept service of process and a certificate of the appointment of a general agent of the company for Rhode Island. Certificate of compliance with laws of home State required annually, with annual statement, or as soon as possible thereafter.

PUBLICATION—Not required.

REINSURANCE—No express prohibition of reinsurance in unauthorized companies, and the attorney-general construes the law as not forbidding such transactions. See "Resident Agents."

REINSURANCE RESERVE—One-half of premiums received on policies having less than one year to run from the date of policy, and pro rata of those for longer terms.

RESIDENT AGENTS—Chap. 220, Sec. 6. "Foreign companies admitted to do business in Rhode Island shall make contracts of insurance only through lawfully constituted and licensed resident agents." Penalty for violation, \$100 to \$500 for each offense.

RETALIATORY LAW—Chap. 219, Sec. 23. "Whenever by the laws of any other State of the United States any fees, charges, taxes, deposits of money or of securities or other obligations or prohibitions are imposed on insurance companies incorporated or organized under the laws of this State, or on the agents of such insurance companies so long as such laws continue in force, the like fees, charges, taxes, deposits and obligations shall be imposed on the like insurance companies doing business in this State which are incorporated or organized under the laws of such other State, and on their agents." (As amended in 1914.)

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—A standard form of policy similar to the New York form is required to be used, under penalty of \$50 to \$200; but any policy issued will be held to be valid as against the company issuing it. Under a law passed in 1911, a company may, with the written approval of the Insurance Commissioner, vary the arrangement of the conditions and provisions of the Standard policy.

TAXES—A tax of two per cent on the amount of premiums received and assessments collected during the calendar year, after deducting reinsurance where the reinsuring company agrees to pay the tax and return premiums, except in cases where the reinsuring company is not ad-

mitted, is collected from each stock company, and a tax of one per cent from each mutual company. Reinsurance effected in unadmitted companies is not allowed to be deducted. Mutual companies are not permitted to deduct dividends or unearned premiums applied in part payment of premiums or returned to policyholders in cash or otherwise, except return premiums paid in accordance with the standard policy form by companies using that form. Domestic companies must pay this tax, not only on their Rhode Island business, but upon direct or reinsurance premiums on property located in any other State, on which the company has not paid and is not liable to pay a tax to such State. Tax is payable to the general treasurer on first Monday in April by domestic companies, and during the month of January by the agents of companies of other States. See "Retaliatory Law." Domestic mutual company is liable under Tax Act of 1912 to taxation on the intangible property in own where located. Stock companies paying premium tax are exempt from tax on intangible personal property. Franchise tax law of 1916 (affecting domestic corporations) exempts insurance companies.

TAX STATEMENTS—Must be filed in January with the general treasurer. Penalty for failure to make return, or for filing false statement, fine not exceeding \$1000; and suit shall be begun on delinquent agent's bond to recover tax. Statements are filed by agents. Domestic mutual company files returns annually with tax assessors of cities wherein principal office is located.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

PROVIDENCE—Protective Department, 1½ per cent on premiums.

SOUTH CAROLINA.

STATE REQUIREMENTS.

AGENTS DEFINED—Act of 1883, Sec. 6. "Any person who solicits insurance in behalf of any insurance company not organized under, or incorporated by, the laws of this State, or who takes or transmits other than for himself any application for insurance or any policy of insurance to, or from, such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or who shall receive or deliver a policy of insurance of any such company, or who shall examine and inspect any risk, or receive, collect or transmit any premium of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in making, or the consummating of, any contract of insurance for, or with, any such company, other than for himself, or who shall examine into and adjust, or aid in adjusting, any loss for, or in behalf of, any such insurance company, whether any such acts shall be done at the instance or request, or by the employment of, such insurance company, shall be held to be acting as the agent of the company for which this act is done or risk is taken." The Insurance Commissioner has ruled that under Sec. 1810, of the insurance laws, an agent who brokers a policy with another agent, is the agent of the company whose policy he delivers.

AGENTS' LICENSES—Each agent must procure from the Insurance Commissioner a license for which the charge is fifty cents. Each solicitor, if not a member of a firm, must have a license. Licenses expire March 31, annually. Penalty for acting as agent without a license, fine of not over \$100, or imprisonment for not more than 30 days.

ANNUAL STATEMENTS—Must be filed with Insurance Commissioner by March 31, showing condition as of December 31 preceding. Penalty for failure to file annual statement, revocation of authority. See "Tax Statements."

ANTI-COINSURANCE—No statute forbidding use of coinsurance clauses.

ANTI-COMPACT—Law of March 2, 1916. Sec. 1. "It shall be unlawful for any fire insurance company, association or partnership doing fire insurance business in this State to enter into any compact or combination with other fire insurance companies, associations or partnerships, or to require or allow their agents to enter into any compact or combination with other insurance agents, companies, associations or partnerships for the purpose of governing or controlling the rates charged for fire insurance charged on any property in this State: *Provided*, That nothing herein shall prohibit one or more of such companies from employing a common agent or agents to prepare and furnish maps and other data as to risks and to supervise and advise of defective structures or suggest improvements to lessen fire hazard. Sec. 2. All fire insurance companies, associations or partnerships doing a fire insurance business in this State shall cause to be filed on the first day of March, 1917, and in each year thereafter, with the Insurance Commissioner of this State, the affidavit of some officer or agent of said company, association or partnership, who resides in this State, setting forth the fact that

the company of which he is an officer or agent has not, in the twelve months previous to the date of the said affidavit, entered into any trust, combination or association for the purpose of preventing competition in insurance rates in this State. The said affidavit shall be made before some officer of this State authorized to administer oaths, and any false statement made in said affidavit shall be deemed perjury, and punished by a fine of not less than \$100 dollars, nor more than \$1000, and by confinement in the penitentiary for one year, or, in the discretion of the court, by confinement in jail for a period of not less than thirty days nor more than twelve months: Provided, further: That any attempt to evade the provisions of this act by agreeing upon any one person or number of persons for the purpose of making rates for such insurance companies, associations or partnerships, or by buying rate books made by any person or persons, shall be deemed a violation of the provisions of this act and shall be punished as herein provided. Sec. 3. The Insurance Commissioner, or other official to whom said companies, associations or partnerships are annually required to report to this State, shall forthwith revoke and recall the license or authority of such company or companies, association or associations, partnership, or partnerships, to do or transact business in this State for any violation of this act, and no renewal of authority shall be granted to it for three years after such official revocation; notice of such revocation to be duly published for one consecutive week in three or more daily papers published in this State; and for a violation of any of the provisions of this act by any such company or companies, association or associations, partnership or partnerships, they shall, on conviction thereof, pay a fine of not less than \$500. Sec. 4. It shall be the duty of the Attorney General or the Solicitors, upon his request, to cause the provisions of this act to be enforced. Sec. 5. It shall be the duty of the Insurance Commissioner to require every fire insurance company, association or partnership doing a fire insurance business within this State to file, with the annual statement made to him, a statement, duly sworn to by the manager or president of each company, association or partnership legally admitted in this State, that it has not in the year intervening between the issue of its last license and that applied for, violated the conditions of this act. Sec. 6. The Insurance Commissioner shall have power, on written complaint or upon his own motion, to review any rate fixed by any individual or insurer for fire insurance upon property within this State, for the purpose of determining whether the same is discriminatory or unjust. He shall have power to order the discrimination removed and require substituted a rate which is not discriminatory or unjust. A review of such rate before the Insurance Commissioner shall be had only after due notice and hearing, and his findings or order shall in all cases be subject to summary court review by a court of competent jurisdiction in this State. In the event of final determination against any insurer, any overcharge during the pendency of such proceeding shall be refunded to the person entitled thereto. Sec. 7. No fire insurer and no fire insurance agent, either directly or indirectly, shall make

or permit any difference or distinction in rates, in methods of payments of premiums or in any other way whatsoever between insurers of risks of essentially the same fire hazard. Any company or agent violating this section shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not exceeding \$100, and upon a second conviction of the same offense, upon certification of the same to the Insurance Commissioner, may have its or his license revoked: Provided, That nothing contained in this act shall be held to interfere with insurance placed by or through the State Warehouse Commissioners. Sec. 8. This act shall not apply to the Mill Mutuals or the Factory Insurance Association, which are mutual insurers and under the terms of Article IX, Section 13, of the Constitution, are not considered 'combinations,' contracts and agreements against the public welfare."

ANTI-DISCRIMINATION—There is a law prohibiting discrimination in rates between risk of the same class. See "Anti-Compact." A licensed company may make a competing rate to meet competition of an unlicensed company.

ATTORNEY—The Insurance Commissioner must be authorized to accept service of legal process.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—Company must possess at least \$100,000 of surplus or capital, or shall file a certificate that it has deposited with some State official securities worth \$100,000, and shall deposit with the Insurance Commissioner of South Carolina securities worth \$10,000, or a surety company bond for that sum, in the discretion of the Insurance Commissioner. Penalty for violation, fine of \$500 to \$1000.

COMMISSIONS TO NON-RESIDENTS—Full commissions must be received by resident agents, but they may allow other agents or brokers not exceeding one-half of the commissions which they receive on the business written.

DEPOSIT—Ins. Laws, Sec. 13. "Before licensing any insurance company to do business in this State, the Insurance Commissioner shall require each such company to deposit with him an approved bond or approved securities, in the discretion of the Commissioner, as follows: * * * each fire * * * insurance company, \$10,000. * * * If a bond be given, it shall be conditioned to pay any judgment entered up against any such company in any court of competent jurisdiction in this State, and such judgment shall be a lien upon the bond or securities. In case a bond is given, the judgment creditor shall have the right to bring suit on said bond for satisfaction of the judgment in the county in which the judgment is received." See "Capital Required."

DOMESTIC COMPANIES—Two or more persons may organize a corporation after twenty per cent of capital is paid in, by filing articles of incorporation with the Secretary of State and a copy of same with the register of the county in which located.

EXAMINATIONS—Sec. 10. " * * * He (the Commissioner) shall have au-

thority to examine into the conditions of any company doing business in this State, and shall have power to summon witnesses and take testimony as he may deem fit and proper for the protection of the public interests of the State. At least once in two years, and whenever he determines it to be prudent, he shall, personally or by deputy, visit each domestic company and thoroughly inspect and examine its affairs, determine and fix the value of its assets and test and declare its ability to fulfill its obligations and maintain its solvency according to proper standards. When he determines it to be prudent for the protection of the policyholders in this State, he shall in like manner visit and examine, or cause to be visited and examined by some competent person or persons whom he may appoint for that purpose, any foreign company applying for admission or already admitted to do business in this State, and such company shall pay the reasonable cost for such examination.

FEES—Annual license fee, payable to the Insurance Commissioner on or before March 31, \$140 for company writing fire insurance, including marine and inland transportation, lightning and sprinkler damage; \$115 for company writing marine insurance exclusively, including inland transportation. Quarterly pro rata abatements are allowed companies admitted after October 1.

FIRE DEPARTMENT TAX—Act of March 7, 1910, imposes a tax of one per cent on all premiums written in cities or towns having regularly organized fire departments members of the State Firements Association, with equipment valued at \$1,000 or more, upon companies of other States or counties. Tax is payable within sixty days after December 31, yearly, to the Insurance Commissioner. Penalty for failure to pay tax revocation of license.

FIRE MARSHAL—Investigation of fires is provided for. See "Taxes."

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—For violation of insurance law, or disobedience of a lawful order of the Insurance Commissioner, fine of \$100, or imprisonment not exceeding 30 days.

IMPAIRMENT—Sec. 11. "If the Commissioner is of opinion, upon examination or other evidence, that a company is in an unsound condition, that it has failed to comply with the law or with the provisions of its charter, or that its condition is such as to render its proceedings hazardous to the public or to its policyholders, or that its funds, if it is a life insurance company, are less than its liabilities, exclusive of its capital, or if its officers or agents refuse to submit to examination or to perform any legal obligation relative thereto, he shall revoke, or suspend all certificates of authority granted to said company, its officers or agents, and shall cause notices thereof to be published in a newspaper of general circulation in this State, and no new business shall thereafter be done by its agents in this State while such default or disability continues, nor until its authority to do business is restored by the Commissioner."

INVESTMENTS PRESCRIBED—See "Taxes."

LICENSED BROKERS—Law of March 2, 1916. Sec. 1. "The term Insurance Broker, as used in this act, is declared to be such person as shall be licensed by the Insurance Commissioner to represent citizens of this State for the placing of insurance in insurers licensed in this State or any other State or country. Sec. 2. Insurance brokers may be licensed by the Insurance Commissioner upon the following terms and conditions, to wit: (a) The payment of an annual Insurance Department license fee of twenty-five (\$25) dollars; (b) the filing of a bond approved by the Insurance Commissioner in the sum of five thousand dollars (\$5000) for the faithful discharge of his duties; (c) the payment of an additional license fee of 4 per cent upon the premiums paid or written in the policies of companies not licensed in this State. Such license shall entitle the holder to solicit insurance in any county of this State, but nothing herein shall prevent municipalities from imposing license fees in accordance with their ordinances. Under the terms of this act only such persons may be licensed as are residents of this State and have been licensed insurance agents of this State for at least two years. Sec. 3. Such insurance broker shall exercise due care in the placing of insurance and shall procure from the supervising official in the State or country in which the home office of the insurer is located a certificate to the effect that the insurer is safe and solvent and is authorized to do business. He shall furnish the insured a statement showing the financial condition of the insurer and such other information as the insured may require. He shall report to the Insurance Commissioner in detail the amount of insurance placed and the premiums paid therefor, and shall pay to the Insurance Commissioner the additional license fee herein provided. He shall submit to the Insurance Commissioner within thirty days after December 31st of each year an annual report of his transactions, and his books, papers and accounts shall at all times be open to the inspection of the Insurance Commissioner or a deputy appointed by him. Sec. 4. Such insurance broker may divide commissions with agents or brokers in other States or countries or with any agent licensed in this State for any company doing the particular class of insurance desired to be placed through such broker. Sec. 5. All losses occurring under policies placed through such insurance broker may be adjusted by any licensed agent or adjuster in this State, and all inspections of property and endorsements on policies may be made by a broker licensed under the terms of this act or any other licensed fire insurance agent in this State authorized so to do. * * * Sec. 7. All licenses issued under the provisions of this act shall expire on March 31 of each year, and the license fees may be prorated quarterly after October 1 of each year."

LIMIT ON A SINGLE RISK—No provision.

LLOYDS—Same conditions apply as those relating to corporations.

MISCELLANEOUS—Residents may procure insurance in unlicensed companies on paying a tax of three per cent on the premiums and securing authorization for the adjustment of a loss under such policies. The ad-

juster adjusting a loss under such a policy must pay a fire inspection tax of one-tenth of one per cent upon the amount of the loss. An agent for an unlicensed company may be authorized to collect premiums upon South Carolina policies in force, but not to write new business, on payment of tax of one per cent on net premiums. License of company removing a case to a Federal court may be revoked. Company promotions are under supervision of Insurance Commissioner, according to a law passed in 1915.

MUTUAL COMPANIES—Sec. 18. "Any foreign mutual fire insurance company maintaining no agents, writing no business except on property of its members and doing business without profit, may be admitted to do business in this State on the following terms: It shall file with the Insurance Commissioner a satisfactory statement of its condition and such other information as he shall require; a copy of its charter and amendments thereto; certificate of compliance with the laws of its home State, and the appointment of the Insurance Commissioner of South Carolina as its attorney to accept service. It shall pay an annual department license fee of twenty-five dollars and the additional license fee now provided by law on the actual cost of insurance."

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a certified copy of its charter, certified copy of resolution appointing attorney, and a verified statement showing its financial condition; foreign companies must also file certificate of deposit. Copy of charter and copy of certificate of compliance with home insurance laws need be filed but once.

PUBLICATION—No requirement.

RATING—See "Anti-Compact."

RECIPROCAL LAW—None.

REINSURANCE—Sec. 5 of the Law of Feb. 9, 1900 (Resident Agents) provides that "the provisions of this act shall not be construed so as to prevent any policy, duplicate policy, or contract for reinsurance from being written or placed in any fire insurance company or association which has no agent resident in this State." All reinsurances must be reported annually (or oftener, as required). Penalty for violation, fine of \$500. Reinsurances of South Carolina risks by unauthorized companies in authorized companies are not permitted.

REINSURANCE RESERVE—No provision.

RESIDENT AGENTS—Act approved Feb. 9, 1900, Sec. 1. "No fire insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or any general or floating policy, upon property situated or located in this State, except after the said risk has been approved in writing, by an agent who is a resident of this State, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on any property

located in this State * * *." Railroad rolling stock and property in transit are excepted. Penalty for violation, \$500 for each offense.

SEMI-ANNUAL STATEMENTS—See "Tax Statements."

STANDARD POLICY—The standard form recommended by the National Convention is required to be used.

TAXES—Part of Sec. 2702, Civil Code of 1912, as amended in 1915. "In addition to the annual license fees now provided by law, the Commissioner shall require each foreign fire insurance company of any class licensed by him, not incorporated under the laws of the State of South Carolina, not hereinbefore specifically mentioned, to pay, as an additional and graded license fee, an amount equal to two per centum on the total premiums, *i. e.*, total income or total receipts from the State, less return premiums for cancellation on risks in this State during the time the company has done business in this State since last such return. Such returns shall be made under oath by an executive officer of the company. * * * Provided, That if the executive officer of the company shall file with the Insurance Commissioner a sworn statement, showing that at least one-fourth of the premiums on all policies issued in South Carolina is invested in the securities named in the section; then, and in that case, the additional license fee on premiums collected during the times such investments have been actually made and sustained shall be one and three-fourths per centum; if said investments be one-half of said premium receipts, the additional license fee shall be one and one-half per centum; under like conditions, if the investments shall be three-fourths of said premium receipts, the additional license fee shall be one and one-fourth per centum; if the entire premium receipts be so invested under like conditions, then the additional license fee shall be one per cent: *Provided, further,* That the one-half of the said additional license fee, collected under the terms of this section, is allotted to the several counties, respectively, in proportion to the said premiums collected in said counties, and the same is hereby appropriated to ordinary county purposes, and no additional license fee or county tax or license fee shall be levied on such companies. At the close of the semi-annual period, or as soon thereafter as possible, the Insurance Commissioner shall furnish the State Treasurer a statement showing the amount of said premiums collected by each company in each of the several counties of the State, and the amount of additional license fees collected thereon; and the State Treasurer, upon a warrant from the Comptroller-General, shall pay unto the County Treasurer of each county one-half of the additional license fee collected, as aforesaid, on the said premiums collected by each insurance company in that county. *Provided,* That nothing in this Act or any other Act, shall be construed as preventing any municipality from levying and collecting license fees or taxes in accordance with its ordinances. The tax levied by Sec. 2702 is collected upon net premiums. The securities referred to are notes or bonds of the State of South Carolina or of counties or municipalities of the State or of subdivisions thereof; or first mortgage bonds of real estate in this State; or first mortgage bonds of solvent domestic or domesticated corporations whose improved

property is situated entirely within this State and which are owned and controlled independently of foreign corporations and operated entirely within the State; or deposits in banks of this State maintained continuously for six months preceding date of such return or average daily balances on deposits in banks of this State maintained continuously for six months next preceding the date of such return; or any property situated within the State and returned for taxes therein, at the value at which it is returned. There is a tax of one-tenth of one per cent upon gross premium receipts for the maintenance of the work of investigating incendiary fires, this tax payable semi-annually to the Insurance Commissioner. See "Fire Department Tax."

TAX STATEMENTS—Sec. 14. " * * * The returns of the premiums collected shall be made within thirty days after the 30th day of June and the 31st day of December, and if the returns are not so made, the Insurance Commissioner may suspend the license of the company until such returns are made."

VALUED POLICY—Law of Feb. 28, 1896, Sec. 1. "That hereafter no fire insurance company or individuals writing fire insurance policies, doing business within this State, shall issue policies for more than the amount of the value of the property to be insured, the value of the property to be insured and the amount of insurance to be fixed by the insurer and insured, at or before the time of issuing said policies, and in case of total loss by fire, the insured shall be entitled to recover the full amount of insurance, and a proportionate amount in case of partial loss; provided, two or more policies written upon the same property shall be deemed and held to be contributive insurance, and if the aggregate sum of all such insurance exceeds the insurable value of the property as agreed by the insurers and insured, in the event of a total or partial loss, each company shall only be liable for its pro rata share of said insurance." After sixty days the insurer is estopped from denying the truth of any statement in the application for insurance, except for fraud. This act does not apply to insurance on chattel or personal property or builders' risks. Penalty for violation, withdrawal of license for three years.

COUNTY TAXES AND FEES.

The amount of gross premiums collected in each county by each company is reported by the Insurance Commissioner to the State Treasurer, and one-half of the tax collected on such premiums will be paid by the State Treasurer to the respective County Treasurers.

MUNICIPAL TAXES AND FEES.

ABBEVILLE—For each company, \$10, payable yearly from time insured.

AIKEN—For each company having one agency, on \$500 or less of premiums, \$5; \$500-\$1000, \$7.50; \$1000-\$1500, \$10; and \$2.50 for each additional \$500. Also tax of one per cent, payable October 15 to March 1.

ALLENDALE—For each company, \$2.50; for each agent, \$2.50, payable November 1.

- ANDERSON—For each company, \$15 on first \$100 of premiums and \$1 on each additional \$100 of premiums or majority fraction thereof.
- BAMBERG—For each agent, \$2, payable August 1.
- BARNWELL—For each agency, \$5, payable September 15.
- BATESBURG—For each company, \$5, payable January 1.
- BEAUFORT—For each agency, \$5; for each company, \$5 on first \$500 gross premiums and 50 cents on each additional \$100, payable February 15.
- BENNETTSVILLE—For each company, \$20 for \$500 or less of premiums yearly; \$25 for \$500-\$2000; \$30 for over \$2000; payable July 1.
- BISHOPVILLE—For each company, \$5; for each agent, \$10; payable January 1, or when starting business.
- BLACKSBURG—For each company, \$5, payable upon commencing business.
- CAMDEN—For each agent, \$50, payable May 1.
- CHARLESTON—On premium receipts: \$500, \$50; \$5 for each additional \$100.
- CHERAW—For each agent, \$25; for each company, \$5 to \$10; payable January 1.
- CHESTER—For each company, \$10, due May 1 and October 1; also 15 mills on \$1 of premiums, payable November 1, to December 31.
- CLINTON—For each company, \$10, payable April 1.
- COLUMBIA—On premiums: \$1000, \$30; for each additional \$100 or fraction, \$1.50, payable on or before February 15; also 18 mills on gross premiums, payable December 31; for each solicitor unconnected with regular licensed local agency of company, or whose business does not pass through said local agent, \$30; for each transient solicitor or agent, \$20 per week.
- CONWAY—For each company, \$10, payable October 1.
- DARLINGTON—For each company, \$10; payable January 15.
- DILLON—For each company, \$10; payable June 1.
- DUE WEST—For each company, \$3.
- EASLEY—For each company, \$5; for each agent, for each company represented, \$5, payable April 15.
- EDGEFIELD—For each company, \$5, payable July 15.
- FORT MILL—For each company, \$5, before March 1.
- GAFFNEY—For each company, \$10, payable March 1; also tax of 11 mills on net premiums, payable March 1.
- GEORGETOWN—For each company, \$10 for first \$1000 or less of premiums, and \$5 for each additional \$1000 or fractional part; for each agency, \$10, payable by April 1.
- GREENVILLE—For each company, \$30 for \$500 or less of premiums; \$40 for \$500 to \$1000; \$50 for \$1000 to \$1500; \$60 for \$1500 to \$2000; \$65 from \$2000 to \$2500; \$70 from \$2500 to \$3000; \$75 from \$3000 to \$3500; \$80 from \$3500 to \$4000; \$85 from \$4000 to \$4500; \$90 for \$4500 and over. Local company with capital stock of \$5000 or less pays \$20; \$50 for over \$5000. Payable January 1.

- GREENWOOD—For each company, \$5; for each agency, \$15; payable July 1.
- GREER—For each company, \$5, and 1 per cent of premiums exceeding \$500; payable on commencing business.
- HARTSVILLE—For each company, \$5.
- JOHNSTON—For each agency, \$5, payable January 15.
- KERSHAW—For each company or agent, \$12.50, payable February 1.
- LANCASTER—For each company or agent, \$12.50, payable February 1.
- LAURENS—For each company, \$10, payable January 1.
- LEESVILLE—For each company, \$5.
- LEXINGTON—For each company or agent, \$2.50.
- MCCORMICK—For each company, \$5.
- MANNING—For each company, \$10 per annum, payable January 1 to 15.
- MARION—For each agency, \$15, payable April 30; for each company, two per cent on gross premiums, payable May 1 to November 1.
- MAYSVILLE—For each company, \$5, payable January 1.
- MULLINS—For each company, \$3, payable August 1.
- NEWBERRY—For each company, \$10, payable January 1.
- NINETY-SIX—For each company, \$5, payable from date of issue.
- NORTH AUGUSTA—For each company, \$10, payable January 1.
- ORANGEBURG—For each company, \$15, payable April 1.
- PENDLETON—For each company, \$5, payable February 1; also \$2.50 on first \$100 of premiums and 25 cents for each additional \$100.
- PICKENS—For each company, \$10.
- RIDGELAND—For each company, \$5.
- RIDGE SPRINGS—For each company, \$5.
- ROCK HILL—For each company, \$15, payable January 1.
- SENECA—For each company, \$10, up to \$1000 in premium; over that, 75 cents on every \$100; payable June 1.
- SPARTANBURG—For each company, \$25 for first \$100 of premiums; \$30 for \$500-\$1000; \$35 for \$1000-\$1500; \$40 for \$1500-\$2000; \$45 for \$2000-\$2500; \$50 for over \$2500; minimum for each agency, \$25. Brokers pay \$50 for each company in which they undertake to place insurance on South Carolina property outside the State.
- ST. GEORGE—For each company, \$5.
- ST. MATTHEWS—For each company, \$5, payable October 1.
- SUMMERVILLE—For each company, \$10, payable June 1.
- SUMTER—For each company or agent, \$25 on first \$1,000; \$5 additional for each additional \$1000, payable during January.
- TIMMONSVILLE—For each company, \$15, payable January 1.
- UNION—For each company, \$15, payable in May.
- WALHALLA—For each company, \$5, payable February 1.
- WALTERBORO—For each company, \$25, payable annually November 1.
- WESTMINSTER—For each company, \$5, payable annually February 1.
- WILLIAMSON—For each company, \$10.
- WINNSBORO—For each agent, \$5, payable July 1.
- YORKVILLE—For each company, \$10, due November 15.

SOUTH DAKOTA.

STATE REQUIREMENTS.

AGENTS DEFINED—No statutory definition.

AGENTS' LICENSES—Agents must procure licenses, which expire March 1, and must be renewed annually after approval of company's statement. Each member of an agency firm must have a license. One license only is required for an agency corporation. Penalty for acting as agent without license, \$200 or sixty days' imprisonment for each offense. Penalty for representing an unauthorized company, fine not exceeding \$200 or two months' imprisonment, or both, for each offense. Domestic county and township mutual companies not required to have licensed agents.

ANNUAL STATEMENTS—Must be filed on January 1, or within two months thereafter, showing condition and business for year ending on preceding December 31. Penalty for neglecting to file statement, suspension of business on notification by Commissioner, and \$100 for each week's delay. No statements required other than to Insurance Department.

ANTI-COINSURANCE—Coinsurance by a reduced rate average clause is included among clauses which are permitted to be used in connection with the Standard Policy, on request. Application, signed by applicant, and clause, signed by agent, to be attached to policy.

ANTI-COMPACT—Law of 1903. "Sec. 1. Any combination, agreement, confederation, compact or understanding made and entered into either directly or indirectly by or between two or more fire insurance companies insuring property against loss or damage by fire and loss or damage from the elements, transacting business within this State, or between officers, agents or employees of any such companies relating to the rates to be charged for insurance, regulating and fixing the minimum price or premium to be paid for insuring property located within this State, the amount of commission to be allowed agents for procuring insurance or the manner of transacting the business of fire or other casualty insurance within this State, is hereby declared to be unlawful and any such company, officer or agent violating this provision shall be deemed guilty of a misdemeanor and on conviction thereof in any court having jurisdiction shall pay a penalty of not less than \$100 nor more than \$500 for each offense, to be recovered for the use of the general fund of the State, and any such company, corporation or association so offending shall not be permitted to transact business within this State." Affidavit of compliance required annually on or before July 1.

ANTI-DISCRIMINATION—Chap. 244, 1913 Session Laws, provides that no insurance company, agent, broker, or solicitor shall offer, allow, or give directly or indirectly any rebate of or part of the premium payable on the policy, or agent's commission, or any other valuable consideration as in-

ducement to insurance which is not specified in the policy contract of insurance. Upon violation of this act the certificate of the company or agent shall be revoked, and upon conviction the offender shall be liable to a fine of \$200 for each and every violation, or not less than sixty days' imprisonment nor more than six months.

ATTORNEY—The Commissioner of Insurance must be named as attorney to accept service of legal process.

CANCELLATION OF POLICY—Five days' notice of cancellation must be given by the company. Company may retain short rates, when policy is canceled by insured, in accordance with table adopted by the Minnesota and Dakota Fire Underwriters' Union; if canceled by company, the latter may retain only pro rata earned premium.

CAPITAL REQUIRED—Of other State companies, at least \$100,000; of domestic companies, at least \$100,000.

COMMISSIONS TO NON-RESIDENTS—No provision.

DEPOSIT—None required of outside companies; domestic stock companies must deposit 50 per cent of capital with the Commissioner of Insurance.

DOMESTIC COMPANIES—Insurance Laws, Sec. 578. "Any number of persons, not less than seven, may associate, form and incorporate a company for the following purposes, to wit: To make insurance upon dwelling houses, stores, and all kinds of buildings, and upon household furniture and other property, against loss or damage by fire, lightning, cyclone, tornado or hail, and the risks of inland navigation and transportation. Any and all insurance companies incorporated under the provisions of this act which shall, in a declaration and charter provided to be filed, have expressed an intention to make insurance against loss or damage by the risks of inland navigation or transportation shall have power to make insurance upon vessels, boats, cargoes, goods, merchandise, freights and other property, against loss or damage by all or any of the risks of lake, river, canal and inland navigation and transportation." Each director must own \$500 of stock. See "Deposit."

EXAMINATIONS—Insurance Laws, Sec. 603. "It shall be the duty of the State Commissioner of Insurance whenever he shall deem it expedient to do so, in person or by one or more persons appointed by him for that purpose, not officers or agents of, or in any manner interested in, any insurance company doing business in this State, except as policyholders, to examine into the affairs of any company incorporated under any law of this State, or companies of other States or Territories, or any foreign companies doing business by their agents in this State; it shall be the duty of the officers or agents of any such company doing business in this State to cause their books to be opened for inspection of the Commissioner or persons so appointed, and to otherwise facilitate such examination so far as it may be in their power to do, and pay all reasonable expenses incurred therein, in no case to exceed \$10 per diem and traveling expenses. And for that purpose the said Commissioner, or person or persons appointed

by him., shall have the power to examine under oath, the officers and agents of any such company, relative to the business of said company. And whenever the said Commissioner of Insurance shall deem it for the best interests of the public so to do he shall publish the result of such investigation in two newspapers in this State." Penalty for making false statement, revocation of license. License of company found to be in unsound condition shall be revoked.

FEES—For filing declaration or certified copy of charter, \$25; for filing annual statement, \$25; for each company's certificate of authority, \$2; preparing copy for publication, \$2; certificate for agent of domestic company, 50 cents; of a foreign company, \$2; copies of papers on file, 20 cents per folio; affixing seal, \$1; for examinations, actual expenses incurred, not to exceed \$10 per diem and traveling expenses; for service of legal process, \$2. See "Reciprocal Law." Fees are payable to Commissioner of Insurance, and are turned into the insurance fund in the State Treasury.

FIRE DEPARTMENT TAX—State pays two and one-half per cent for foreign stock and mutual companies and one per cent for domestic companies on all premiums received in cities and towns having duly organized fire departments to the town treasurers for the support of the Fire Department. See "Taxes."

FIRE MARSHAL—Provision is made for investigation of fires by the Insurance Commissioner and his assistant. See "Taxes."

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Insurance Laws, Sec. 593. "* * * foreign insurance companies shall transmit their statements of business other than that taken in the United States prior to the following first day of May" (covering preceding calendar year).

GENERAL PENALTY—See under "Agents Licenses" and "Annual Statements."

IMPAIRMENT—Insurance Laws, Sec. 599. "* * * No agent shall be allowed to transact business for any such company whose capital is impaired to the extent of twenty per cent thereof while such deficiency continues." Sec. 604. "And whenever it shall appear to said Commissioner of Insurance from such examination, that the condition of any such company incorporated in this State is not such as to justify the continuance in business of any such company, he may direct the officers thereof to require the stockholders to pay in the amount of such deficiency within such a period as he may designate in such requisition, or he shall communicate the fact to the State's Attorney, whose duty it shall be to apply to the circuit court of the county in which the principal office of the company shall be located, for an order requiring them to show cause why the business of such company shall not be closed." Impaired companies may reduce their capital to an amount not less than the minimum required by law. License of company in unsound condition must be revoked.

INVESTMENTS PRESCRIBED—Sect. 583. "* * * Twenty per cent of the

first one hundred thousand dollars of capital stock and ten per cent of any amount in excess of one hundred thousand dollars for which said company may be capitalized must be cash on hand, the remaining amount of said capital must be invested in United States bonds, State, municipal or school bonds, or loans upon unincumbered real property worth at least double the amount loaned thereon; fifty per cent of such loans shall be on South Dakota real estate. An amount equal to fifty per cent of the entire capital shall be deposited with the Commissioner of Insurance for the State of South Dakota." Sec. 586, as amended in 1913. "It shall not be lawful for any insurance company organized under the laws of this State to invest its capital and the funds accumulated in the course of its business, or any part thereof, except in bonds or mortgages on unincumbered real estate worth double the sum loaned thereon, exclusive of buildings, unless such buildings are insured and the policies transferred to the company or trustee under said mortgage at least (50 per cent) fifty per cent of such loans must be on South Dakota real estate, and also such real estate as shall be requisite for its convenient accommodation in the transaction of its business, and also in the bonds of the State, or stocks or treasury notes of the United States; and also the bank stock of national banks, and also in the stock and bonds of any county or incorporated city in the State authorized to be issued by the legislature to loan the same or any part thereof on the security of such stocks, or bonds, or treasury notes, or upon bonds or mortgages as aforesaid and to change and reinvest the same in like securities as occasion may from time to time require; but the surplus money over and above the capital stock of such insurance company, incorporated under any law of this State, may be invested in or loaned upon the pledge of public stocks or bonds of the United States, or of any of the States, stocks, bonds of the United States, or other evidences of indebtedness of any solvent dividend-paying institution, incorporated under the laws of this State or the United States, except their own stock, provided, always, that the market value of such stocks, bonds or evidence of indebtedness shall be, at all times during the continuance of such loan, at least ten per cent more than the amount loaned thereon. No domestic company may purchase or hold real estate other than that required for the convenient accommodation of its business, except that acquired in satisfaction for debts legally contracted.

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital, net.

LLOYDS—No provision.

MISCELLANEOUS—Political Code, Chap. 210, Laws 1909, Sec. 14, as amended in 1911 and 1913. "It shall be unlawful for any person, company or corporation in this State, either to procure, receive or forward applications for insurance in or to issue or deliver policies in any company or companies not having been legally authorized to do business in this State, and any person, company, or corporation violating the provisions of this act shall

be deemed guilty of a misdemeanor and upon conviction thereof shall for each and every offense be punished by a fine not to exceed \$200 or imprisonment for not to exceed sixty days in the county jail or both such fine and imprisonment. And any person, firm or corporation, who shall have solicited and placed insurance in any insurance company not authorized to do business in this State, shall, in the event of the failure of such company to pay any loss or claim under the policy so issued, be liable to the insured for the amount thereof to the extent that such company would have been liable had it been authorized to do business in this State." A law passed in 1911 provides that every fire insurance company doing business in the State, which fails to pay any loss incurred within sixty days after proofs of loss have been filed, shall be liable to a penalty of ten per cent in excess of the actual amount of loss. This penalty does not attach, if a loss is reported to the fire marshal for investigation, until thirty days after such investigation is completed and the companies notified, provided said investigation is completed within ninety days after notification. Sec. 14, Laws of 1913, provides that "Any person, firm or corporation procuring insurance on his, their or its property in this State in any unauthorized insurance company, whether stock or mutual company, Lloyds or interinsurance, exchange or association, shall report the same to the Commissioner of Insurance and shall pay to the State Treasurer five per cent of the gross premiums paid for such insurance as taxes; failure to so report and pay shall be deemed a misdemeanor punishable by a fine not exceeding two hundred dollars (\$200) or by imprisonment in the county jail for not more than sixty days, or both. The Commissioner of Insurance may require a statement under oath from any person, firm or corporation or agent acting for such person, firm or corporation, giving a list of all insurance carried on property in this State owned or controlled by such person, firm or corporation. A failure to comply with his request for such statement within thirty days shall be deemed a misdemeanor punishable by a fine of not more than two hundred dollars (\$200) or imprisonment in the county jail for not more than sixty days, or both, for each offense.

MUTUAL COMPANIES—Provision is made for the organization of State, county and township mutual insurance companies. A State mutual may be incorporated by twenty-five residents collectively owning \$50,000 of personal property and \$50,000 of real estate; a county mutual may be formed by twenty-five persons residing in the same county or in adjoining counties not exceeding seven counties who shall, collectively, own \$25,000 worth of property; and a township mutual may be incorporated by twenty-five residents of not exceeding twenty-five adjoining townships, who collectively own \$25,000 worth of property. A company must have subscriptions for 200 separate risks aggregating at least \$200,000 before beginning business. Church, mutual fire and tornado insurance companies are not required to be licensed by or report to the Insurance Commissioner.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner of Insurance a copy of its charter and by-laws, an anti-compact affidavit, copy of a recent examination, copy of appointment of resident agent, and a statement showing its financial condition.

PUBLICATION—Statement must be published at least three times in a newspaper printed and published in each judicial district in which the company shall have policies issued, and proof of publication filed with the commissioner. Statements for publication to be made on blanks furnished by the Commissioner of Insurance. The cost of such publication is \$17.50 per district. There are 12 judicial districts in the State. Affidavit of publication must specify that the amount charged for such publication inures to the benefit of the publisher solely.

RECIPROCAL LAW—Sec. 671. "When by the laws of any State or Territory any taxes, fines, penalties, licenses, fees, deposits of moneys or securities, or capital requirements, or other obligations, or prohibitions are imposed or would be imposed on insurance companies of this State doing, or that might seek to do, business in such State or Territory, or upon their agents therein, so long as such laws continue in force, the same obligations and prohibitions, of whatever kind, shall be imposed upon all insurance companies of such State or Territory doing business within this State or upon their agents here."

REINSURANCE.—No prohibition of reinsurance in unauthorized companies. No credit is allowed, in calculating taxes, for reinsurances in unlicensed companies.

REINSURANCE RESERVE—Domestic stock companies are required to maintain a reserve of 40 per cent of all premiums in force, and domestic mutual companies a reserve of 25 per cent of annual premiums and 50 per cent of the pro rata on those running more than one year.

RESIDENT AGENTS—Insurance Laws, Sec. 667. "No corporation transacting the business of fire insurance in this State, not incorporated under the laws of this State, shall write or cause to be written any policy of insurance on property located in this State, except through a duly authorized agent of such corporation who shall reside within the State and who shall be licensed by the Commissioner of Insurance according to law."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—A new standard form of policy was adopted by the legislature in 1909, following in general the New York standard form. Penalty for violation of law, \$50 to \$100 for first offense, and \$150 to \$300 for each subsequent offense. The Insurance Department has ruled permitting the use of a combined fire and tornado policy. Proof of policy must first be submitted to Department for approval.

TAXES—Insurance Laws, Sec. 675. "Every fire insurance company doing business in this State except companies organized under the laws of this State, shall, at the time of making the annual statement, pay into the State Treasury as taxes two and one-half per cent of the gross amount

of premiums received in this State during the preceding year, taking duplicate receipts therefor, one of which shall be filed with the Commissioner of Insurance, and upon the filing of such receipt, and not until then, shall the Commissioner of Insurance issue the annual certificate as provided by law, and the said sum of two and one-half per cent shall be in full of all such taxes from such insurance company. Provided, that all companies organized under the laws of this State shall, at the time of making the annual statement, pay into the State Treasury as such taxes one per cent of the gross amount of premiums received in this State during the preceding year upon policies issued on property in any city, town or village having an organized fire department as provided in Art. 5, Chap. 16, Political Code of 1903. Provided that nothing herein contained shall be construed so as to exempt the corporate stock or property within this State of any fire insurance company from the provisions of the general revenue laws of the State now in force." No deductions from gross premiums are allowed for amounts paid to unauthorized companies for reinsurance in reporting premiums for taxation; but credit is allowed for return premiums and reinsurances in authorized companies. The Fire Marshal Law of 1907, Sec. 8, provides that each fire insurance company shall annually, on January 1, pay to the Insurance Commissioner, "in addition to the taxes now required by law to be paid by such companies, one-half of one per cent of the gross premium receipts of such companies on all business done in South Dakota the year next preceding."

TAX STATEMENTS—Included in annual statements. Must be filed by March 1.

VALUED POLICY—Law of 1903. "Whenever any policy of insurance shall be written to insure any real property in this State including structures on land owned by another than the insured, against loss by fire, tornado or lightning, and that property insured shall be wholly destroyed without criminal fault on the part of the insured or his assigns, the amount of the insurance within such policy shall be taken conclusively to be the true value of the property insured, and the true amount of loss and measure of damages."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

TENNESSEE.

STATE REQUIREMENTS.

AGENTS DEFINED—Laws of 1907, Chap. 442. “That any person who shall solicit an application for insurance shall, in all matters relating to such application, and the policy issued in consequence thereof, be regarded as an agent of the company issuing the policy and not the agent of the insured, and all provisions in the application and policy to the contrary are void and of no effect whatever. Provided, this act shall not apply to licensed fire insurance brokers.”

AGENTS' LICENSES—Chap. 160, Sec. 31, Acts of 1895. “That it shall not be lawful for any person or persons to act as agent or solicit risks, or in any way, directly or indirectly, to transact the business of insurance for, and in behalf of, any company, whether organized under, and incorporated by the laws of this State or not, without obtaining a certificate of authority from the Insurance Commissioner of the State so to do, which certificate shall state that said company has fully complied with all the requirements of this act applicable to such company.” Licenses expire December 31, and must be renewed annually. Agents are personally liable for risks placed in unauthorized companies. Penalties for violation, fine of \$50 to \$100. Penalty for acting for unauthorized company, fine of \$100 to \$200, or imprisonment for not over thirty days, or both. Each member of a firm must have a license, as must also each solicitor, for each company represented. Every corporation which acts as an insurance agent must be licensed for each company it represents, and also each of its solicitors. Applications for license required to be made by company officials, under seal.

ANNUAL STATEMENTS—Must be filed on or before February 1, covering the preceding year ending December 31. For good cause the time may be extended to March 1. Penalty for neglect to file statement, \$100 for each day, and license may be suspended, upon notice, during default. Penalty for wilfully making false statement, \$500 to \$1000; and person making oath to such statement is guilty of perjury. A statement concerning capital, etc., must be filed annually, on or before July 1, with the Secretary of State.

ANTI-COINSURANCE—Chapter 447, Acts of 1909. Sec. 1. “All corporations, firms or individuals doing a fire insurance business in this State shall, with respect to policies issued from and after the passage of this Act on buildings or property in this State, other than stocks of goods and merchandise and other species of personal property changing in specific and quantity by the usual custom of trade, be bound to pay the full amount of the policy in the event of a total loss of such buildings or property; and provided further, that the provisions of this section shall not be applicable to policies containing a

co-insurance clause as authorized hereinafter; and provided further, that the insurer shall have the right to stipulate in the policy the insurable value of the property insured and that any policy containing such stipulation shall be avoided if at the time of the loss the whole amount of insurance on such property shall be in excess of such stipulated insurable value." Sec. 2. "It shall be lawful for corporations, firms or individuals doing a fire insurance business in the State to contract with the assured, in respect of insurance on stocks of goods and merchandise and other species of personal property changing in specifics and quantity by the usual custom of trade, that in the event of loss the insurer shall not be liable for an amount greater than three-fourths of the actual cash value of the property covered by each item of the policy at the time of such loss, and that in the case of other insurance, and whether the policies are concurrent or not, the insurer shall be liable only for its pro rata proportion of such three-fourths value, and in no event for an amount greater than the sum insured by the policy; provided, however, that such contract shall not be binding on the assured unless its presence in the policy is indicated by the words 'Three-fourths value Contract,' printed or stamped in capital letters, and in red ink, across the face of the policy." Sec. 3. "It shall be lawful for corporations, firms or individuals doing a fire insurance business in this State to contract with the assured that the assured shall during the life of such contract, maintain insurance upon the property insured to the extent of an agreed proportion of the actual cash value of the property at the time that a fire occurs, and that the assured, if he shall fail to do so, shall be a co-insurer to the extent that his insurance then in force is less than the amount of such agreed proportion, and to that extent shall, as such co-insurer bear his part of any loss; provided, however, that the acceptance of such contract shall be optional with the assured, which will be conclusively presumed if its presence in the policy is indicated by the words 'Co-insurance Contract' printed or stamped in capital letters, and in red ink across the face of the policy."

ANTI-COMPACT—Chap. 479, Acts of 1905. Sec. 1. "That it shall be unlawful for any two or more fire insurance companies doing business in Tennessee, or any two or more agents, or representatives of fire insurance companies doing business in Tennessee, to enter into any contract, compact or agreement looking to the maintaining of any specific rates to be charged for insurance on any property located in this State. Provided, that this act shall not be so construed as to prohibit the formation of associations of fire insurance agents in any city, town or county in this State for the purpose of minimizing expenses by the employment of joint inspectors or experts for preparing rating schedules and designating improvements, with a view to the reduction of the cost of insurance; provided, that all rates which may be suggested through such associations shall be advisory only, and not binding on any member thereof; provided, further, that if any board of agents, or agent or company attempt to impose

any fine upon any agent or company who shall refuse to write at any rate other than that fixed by such board shall be guilty of a misdemeanor and subject to a fine not less than \$50." Sec. 2. "That it shall be unlawful for any one or more agents, or association of fire insurance agents in any city, town or county of this State to impose any penalty upon any agent because of any rate which may be charged for insurance by said agent or any member of said association." Sec. 3. "That any fire insurance company doing business in Tennessee found guilty of a violation of Sec. 1 of this act shall be subject to a penalty in a sum of not less than \$100 nor exceeding \$1000, * * * and in addition the company so offending shall be subject to the revocation of its license to do business in this State, in the discretion of the Insurance Commissioner." Sec. 4. "That any agent or officer of any association of agents violating the provisions of Sec. 2 of this act shall be guilty of a misdemeanor and shall, upon conviction, be fined not less than \$100 nor more than \$500." The Insurance Commissioner, upon complaint of any citizen of the State, or upon his own initiative, may investigate as to violations of this act.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Insurance Commissioner must be authorized to accept service of legal process. Companies not licensed in the State, but doing business through licensed brokers, must agree to appoint an attorney in any county in which a loss claimant resides who wishes to begin suit, or in the county where the loss occurs.

CANCELLATION OF POLICY—No law on this subject.

CAPITAL REQUIRED—Company must possess at least \$100,000 capital or surplus above all liabilities, which must be certified to be well invested by the Insurance Commissioner of the State in which the company was organized.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents. The Attorney-General ruled, in August, 1915, that the State was not concerned with the question of division of commissions.

DEPOSIT—None required, except that companies of foreign countries must have at least \$200,000 deposited with the proper official of one of the United States. (Nature of securities not specified.)

DOMESTIC COMPANIES—Chap. 160, Sec. 13, Acts of 1895. " * * * Insurance companies other than life, chartered by the laws of this State, shall not be allowed to transact business in this State unless possessed of at least \$50,000 paid-up actual cash capital; or in lieu of cash capital, a surplus, above all liabilities, including reinsurance reserve, of not less than \$50,000; it being understood that this section does not apply to companies organized under the laws of this State prior to the passage of this act, and actually engaged in the transaction of insurance business."

EXAMINATIONS—A domestic company must be examined at least once in three years, and also upon request of five or more stockholders or persons pecuniarily interested therein, with affidavit of their belief, and reasons

therefor, that the company is in unsound condition. Other State and foreign companies may be examined when the Commissioner deems it advisable. "Any insurance company examined under the provisions of this act shall pay the proper charges incurred in such examination, including the expenses of the Insurance Commissioner, or his deputy, and the expenses and compensation of his assistants employed therein; the compensation of no expert for examining the books or business of any local company shall exceed \$10 per day." Mutual companies may be examined on the request of five members, or two directors, or the president or the secretary. If a "foreign" company is found to be in unsound condition, its license may be revoked. Domestic companies may be restrained by an injunction, should this be deemed necessary by the court. Penalty for obstructing examination, fine of not more than \$500.

FEES—For each company filing copy of charter or deed of settlement and financial statement, \$30; for each statement, \$15; for certificate or renewal thereof to an insurance agent (license required for each member of a firm, or agency), \$2; for each seal of office, with certificate, \$1; for copies of papers on file, 20 cents per folio; for filing copy of charter and other preliminary papers, assessment mutual companies, \$15; for filing annual statement, assessment mutual companies, \$10. Reciprocal provision. Examinations, proper charges; no expert to receive over \$10 per day. The foregoing fees are payable to the Insurance Commissioner. On admission, a stock company files a certified copy of articles of incorporation with the Secretary of State and pays him a fee of \$20, also paying him a privilege tax of \$50 on authorized capital stock of \$50,000 or less; \$100 on \$50,001 to \$99,999; \$150 on \$100,000 to \$199,999; \$200 on \$200,000 to \$299,999; \$250 on \$300,000 to \$399,999; \$300 on \$400,000 to \$499,999; \$400 on \$500,000 to \$749,999; \$500 on \$750,000 to \$999,999; \$750 on \$1,000,000 to \$1,999,999; \$1,000 on \$2,000,000 to \$4,999,999, and \$1,500 on \$5,000,000 or more of authorized capital stock. Domestic companies pay one-tenth of one per cent authorized capital stock. Credit is allowed, however, for the amount of fees paid to the Insurance Commissioner upon entering the State to do business. An annual tax upon authorized capital stock is payable to the Secretary of State as follows: \$5 on capital of \$25,000 or less; \$10 on \$25,001 to \$50,000; \$20 on \$50,001 to \$100,000; \$30 on \$100,001 to \$249,999; \$50 on \$250,000 to \$499,999; \$100 on \$500,000 to \$999,999; \$150 on \$1,000,000 or more.

FIRE DEPARTMENT TAX—Governed by Reciprocal Law.

FIRE MARSHAL—Provision is made for investigation of fires by the Fire Prevention Commission. (Act of 1915.)

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—Chap. 160, Sec. 12. "That the authority of a foreign insurance company may be revoked if it shall violate or neglect to comply with any provision of law obligatory upon it * * *." Chap.

160, Sec. 36. "That for violation of any provision of this act, the penalty whereof is not specifically provided herein, the offender shall be punished by a fine of not more than five hundred (\$500) dollars."

IMPAIRMENT—Chap. 160, Sec. 6. "That whenever it appears to the Insurance Commissioner that the capital stock of a domestic insurance company is impaired to the extent of twenty per cent or more, he shall notify the company that its capital is legally subject to be made good; and if such company shall not, within sixty days after such notice, satisfy him that it has fully repaired its capital, or reduced its capital, as provided by law, he shall institute proceedings against it in accordance with the preceding section." See "General Penalty."

INVESTMENTS PRESCRIBED—Capital and surplus funds must be invested in "good available securities."

LICENSED BROKERS—Chap. 160, Sec. 41. "That none but bona fide residents of this State, of good moral character and competent business qualifications, shall be licensed as insurance brokers. * * *" Brokers must take oath to deal justly and uprightly and not attempt to deceive customers as to standing of companies. They must file copies of the charters and statements of companies which they intend to do business with, and pay the same fees required of regularly authorized companies. Brokers must file tax statements, verified by company officials, and failure to file such statement, or to pay a loss judgment, or the insolvency of the company, forfeits its right to do business through the broker. Broker must file bond of \$1000 to secure payment of taxes. Penalty for acting as broker without license, or otherwise violating the law relating to brokers, fine of not less than \$100, or imprisonment for not less than thirty days, or both.

LIMIT ON A SINGLE RISK—None.

LLOYDS—Chap. 160, Sec. 15. "That associations of individuals, citizens of the United States, whether organized within the State or elsewhere within the United States, formed upon the plan known as Lloyds, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by policy, maybe authorized to transact insurance other than life in this State, in like manner and upon the same terms and conditions as are required of, and imposed upon, insurance companies of the United States or one of the United States; provided, however, that all such Lloyds, whether organized within this State or elsewhere in the United States, not having an actual paid-up cash capital, shall make the same deposit and upon the same terms and conditions as is required by Sec. 10 (that company must have deposit of \$200,000 with some State of the United States) of foreign insurance companies incorporated, or associated under, the laws of any government or State other than the United States or one of the United States." Chap. 160, Sec. 1. "When consistent with the context, and not obviously used in a different sense, the term 'company' or 'insurance company,' as herein used, includes all corporations, associations, partnerships, or individuals engaged as principals in the business of insurance."

MISCELLANEOUS—No misrepresentation shall be deemed material unless made with actual intent to deceive, or unless the matter represented increase the risk of loss. A penalty of twenty-five per cent on the liability on a loss may be imposed for non-payment within sixty days, if refusal to pay is made in bad faith; while a policyholder bringing suit for such penalty, and not in good faith, shall, in case of non-recovery from the company, be liable to a similar penalty. Judgment for attorneys' fees against insurance company when losing case. Act of 1901, Chap. 141.

MUTUAL COMPANIES—Chap. 463, Acts 1907, provides for the organization and operation of county mutual fire insurance companies. Such a company is required to have bona fide applications by not less than twenty-five citizens for not less than \$50,000 of insurance, not more than \$1000 of any one risk being subject to one fire, before it can be licensed to do business. Such company cannot do business outside of the county of its domicile until it has \$300,000 of insurance in force. The premium liability of policyholders in county mutuals is unlimited. Chap. 461, Acts of 1907, provides for the organization and operation of State mutual fire insurance companies. Before a license is issued to a State mutual fire insurance company, it is required to have bona fide applications for not less than \$250,000 of insurance. A State mutual may limit the premium liability of the policyholder to the cash annual premium and in addition an equal amount as a contingent premium. Both the cash and the contingent premium are required to be plainly written in the policy. In lieu of the amount of bona fide applications a State mutual fire insurance company may be organized with a paid up guaranty capital of not less than \$25,000. The guaranty capital is required to be retired when the surplus earnings of the company are equal to the amount of guaranty capital, provided the company has at all times either \$25,000 of guaranty capital, or an equal amount in net surplus. Chap. 462, Acts 1907, provides for the admission and regulation of mutual fire insurance companies of other States. Before such company can be licensed to do business in Tennessee it is required to have and maintain in admitted assets over and above liabilities, including reinsurance reserve, not less than \$50,000, and in addition it must have and maintain contingent assets of not less than \$150,000, or, in lieu of the above, must have and maintain a net cash surplus of not less than \$100,000. Such a company is required to file copy of charter, financial statement, power of attorney and appoint agents as stock companies are required to do.

PRELIMINARY DOCUMENTS—Company must file a certified copy of charter, a certificate of the Insurance Commissioner of the State where located, to the effect that it has authority to do the character of business in such State it desires to do in Tennessee (required annually, with annual statement), and a verified statement showing its condition December 31 preceding. Company must also file a copy of its charter with the Secretary of State. Certificate of deposit. Power of attorney, executed at home office, on Department blank, authorizing Commissioner of Tennessee to

acknowledge service of process. Certified copy of deed of trust and appointment of United States trustees. Certified copy of power of attorney to United States managers.

PUBLICATION—None obligatory. When assets are published, liabilities must be made equally conspicuous; and no capital except that paid up shall be advertised. Penalty for violation, \$100 to \$500.

RECIPROCAL LAW—Chap. 160, Sec. 20. "That whenever the existing or future laws of any other State of the United States shall require insurance companies incorporated by, or organized under, the laws of this State, or the agent thereof, any deposit of securities in such State for the protection of policyholders, or otherwise, greater than the amount required for similar companies of other States by the then existing laws of this State, then in every such case all companies of such States establishing, or having heretofore established, an agency or agencies, in this State, shall be, and are hereby required, to make the same deposit for a like purpose with the Treasurer of the State, and to pay into the treasury of this State the taxes, fines, penalties, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed by law of such State upon companies of this State and the agents thereof."

REINSURANCE—No statutory prohibition of reinsurance in unauthorized companies, but the publishers are informed by the Insurance Commissioner that it is contrary to the rulings of the Department for a company licensed to do business in Tennessee to reinsure its risks located in Tennessee in some company that is not licensed to do business in the State. If an authorized company reinsures in other authorized companies, it is permitted to deduct from gross premiums, return premiums to policyholders and also the amount paid to authorized companies for reinsurance premiums.

REINSURANCE RESERVE—Fifty per cent of premiums received on risks having not more than one year to run, and pro rata for longer terms.

RESIDENT AGENTS—Chap. 430, Sec. 1. "That no fire, fire and marine or marine insurance companies or associations not incorporated under the laws of this State, authorized to transact business herein, shall make, write, or cause to be made, written or placed, any policy, duplicate policy or contract of insurance of any kind or character of any general or floating policy upon property situated or located in this State, except after said risk has been approved in writing, or by a local agent who is a resident of this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued or contracts of insurance, and receive full commission thereon when the premium is paid. * * *" Railroad rolling stock and property in transit are excepted. The Attorney-General ruled, in August, 1915, that the State was not concerned with the question of division of commissions. An affidavit that the resident agents' law has not been violated must be filed before company's license will be renewed. Penalty for violation, revocation of authority for at least one year.

SEMI-ANNUAL STATEMENTS—See "Taxes."**STANDARD POLICY—None.**

TAXES—Chap. 160, Sec. 19. "That each and every foreign insurance company doing business under the provisions of this act shall, in January and July of each year, report, under oath of the president and secretary, or other chief officer of such company, to the Insurance Commissioner, the total amount of gross premiums received in this State within the six months next preceding the first of January and July, or since the last return of such premiums were made by such company, and shall, at the same time, pay into the treasury of the State the sum of two dollars and fifty (\$2.50) cents upon each \$100 of said gross premiums so ascertained, which shall be in lieu of all other taxes." Deductions for return premiums and reinsurance premiums paid to authorized companies are allowed. Original writing companies are held responsible for all business written. Penalty for failure to make prompt and correct returns and payments, \$500; for sixty days' failure, revocation of license until taxes and penalties are fully paid. Licensed brokers must pay the same tax on gross premiums as do authorized companies, and in the same manner and time. Each agent, including each member of an agency or firm, must pay \$10 yearly in lieu of all other privilege taxes. Tax is for calendar year. Agents beginning business before April 1 pay \$10; between April 1 and July 1, \$7.50; between July 1 and October 1, \$5; after October 1, \$2.50. Companies of other States and countries which have ceased transacting new business in Tennessee, are required to pay taxes as long as any renewal premiums are received on business in the State. Credit is allowed for reinsurance in authorized companies as well as return premiums. A tax of one-half of one per cent on premium receipts of fire insurance companies is levied to cover expense of investigating fires. Chapter 541, Acts of 1907, prescribes that the two and one-half per cent tax on premiums shall be paid direct to the Insurance Commissioner, and shall be in lieu of all other privilege taxes.

TAX STATEMENTS—To be filed in January and July. Reports to Secretary of State are due July 1. (See "Fees.")

VALUED POLICY—See "Anti-Coinsurance."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

CLINTON—For each agent, \$10.

DYERSBURG—For each agent, \$10.

MEMPHIS—Salvage Corps, $1\frac{3}{4}$ per cent on net premiums.

NASHVILLE—For each agent, \$10.

NEWPORT—For each agent, \$10.

TEXAS.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—The Commissioner rules that adjusters are agents of the companies and as such must be licensed.

AGENTS DEFINED—Chap. 21. Sec. 427, Digest, 1913. "Any person who solicits insurance on behalf of any insurance company, whether incorporated under the laws of this or any other State or foreign government, or who takes or transmits other than for himself any application for insurance, or any policy of insurance, to or from such company, or who advertises or otherwise gives notice that he will receive or transmit the same, or shall receive or deliver a policy of insurance of any such company, or who shall examine or inspect any risk, or receive or collect or transmit any premium of insurance, or make or forward any diagram of any building or buildings, or do or perform any other act or thing in the making or consummating of any contract of insurance for or with any such insurance company other than for himself or who shall examine into or adjust or aid in adjusting any loss for or on behalf of any such insurance company, whether any of such acts shall be done at the instance or request or by the employment of such insurance company, or of or by any broker or other person, shall be held to be the agent of the company for which the act is done or the risk is taken, so far as relates to all the liabilities, duties, requirements and penalties set forth in this act; provided, that the provisions of this act shall not apply to citizens of this State who arbitrate in the adjustment of losses between the insurers and the assured, nor to the adjustment of particular or general average losses of vessels or cargoes by marine adjusters who have paid an occupation tax of two hundred dollars for the year in which the adjustment is made; provided, further, that the provision of this act shall not apply to practicing attorneys-at-law in the State of Texas acting in the regular transaction of their business as such attorneys-at-law, and who are not local agents nor acting as adjusters for any insurance company." For definition of "general agent" see "Taxes."

AGENTS' LICENSES—Agents must procure licenses, which expire on the last day of February. License required for each member of firm. Acting for unlicensed company renders agent personally liable for the same taxes as are paid by admitted companies, and to the holder of any policy issued through him by such company for any loss sustained thereunder, and to be fined \$500 for the first, and \$1000 for each subsequent offense, with imprisonment as an alternative, or both. Penalty for doing business without license, fine of \$500 to \$1000, and imprisonment for three to six months. Applications for licenses must be made by company officers, under seal, when agents are appointed. No license will be issued to an agency corporation. All agents' licenses are issued only to individuals.

ANNUAL STATEMENTS—Must be filed with Commissioner of Insurance and Banking within sixty days after January 1, showing condition as of

December 31 preceding (none other required). Domestic companies must file statements "annually, after the first day of January of each year, and before the renewal of its authority to transact business." Printers' and county mutual companies must report by last day of February.

ANTI-COINSURANCE—Chap. 9, Sec. 187, Digest of 1913. "No company subject to the provisions of this chapter shall issue any policy or contract of insurance covering property, real or personal, situated in this State which shall contain any clause or provision requiring the assured to take out and maintain a larger amount of insurance than that expressed in such policy, nor in any way providing that the assured will be liable as a co-insurer with the company issuing the policy for any part of the loss or damage which may be caused by fire to the property described in the policy, and any such clause or provision shall be null and void and of no effect, whether written with or without the consent of the assured; and any company issuing a policy with such provision or provisions therein shall nevertheless be liable to the assured for the full amount of the damage and loss sustained by the property holder, not exceeding the face of the policy, notwithstanding such provision or provisions." Sec. 188. "Provided that oil in tanks, wool, mohair, grain, rice, cotton, cotton-seed oil mills and products attached thereto, are hereby exempted from the provisions of this act." Sec. 211 provides that "the coinsurance clauses and provisions may be inserted in policies written upon cotton, grain or other products in process of marketing, shipping, storing or manufacture."

ANTI-COMPACT—Chap. 24 is an anti-trust measure.

ANTI-DISCRIMINATION—Chap. 9, Sec. 215, Digest of 1913, prohibit the giving or receiving of rebates. Penalty for insured accepting such rebates fine not exceeding \$100 or imprisonment for ninety days, or both; for company, fine of from \$300 to \$1000. Discrimination is also forbidden.

ATTORNEY—A resident of the State must be appointed to accept service of legal process.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—A foreign company must possess at least \$100,000 of actual capital, safely invested. Provision is made for domestic and foreign mutual companies, without capital. (Chap. XVI.)

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—Chap. 1, Sec. 174, Digest of 1913. "Every fire insurance company not organized under the laws of this State applying for a certificate of authority to transact any kind of insurance in this State shall, before obtaining such certificate, file with the Commissioner of Insurance and Banking, a bond, with good and sufficient surety or sureties to be approved by the Commissioner of Insurance and Banking, payable to the Commissioner of Insurance and Banking, and his successors in office, in a sum equal to 25 per cent of its premiums collected from citizens or upon property in this State during the preceding calendar year, as shown by its annual

report for such year; provided, however, the bond in no case shall exceed fifty thousand dollars, nor be less than ten thousand dollars, conditioned that said company will pay all its lawful obligations to citizens of this State. Such bonds shall be subject to successive suits by citizens of this State so long as any part of the same shall not be exhausted and the same shall be kept in force unimpaired until all claims of citizens of this State arising out of obligations of said company have been fully satisfied." Sec. 175. "Such bonds shall provide that in the event the company shall become insolvent or cease to transact business in this State at any time when it has outstanding policies of insurance in favor of citizens of this State, or upon property in this State, the Commissioner of Insurance and Banking shall have the power, after having given ten days' notice to the officers of such company or any receiver in charge of its property and affairs, to contract with any other insurance company transacting business in this State for the assumption and reinsurance by it of all the insurance risks outstanding in this State of such company which is insolvent or which has ceased to transact business in this State, which contract shall also provide for the assumption by such reinsuring company of all outstanding and unsatisfied lawful claims then outstanding against such company which has become insolvent or ceased to transact business in this State, and in the event of the Commissioner making any such contract, and if the same shall be approved as reasonable by the Attorney General and the Governor of this State the reinsuring company shall be entitled to recover from the makers of such bond the amount of the premium or compensation so agreed upon for such reinsurance." Sec. 176. "Any company desiring to do so may at its option, in lieu of giving the bond required by this section, deposit securities of any kind in which it may lawfully invest its funds with the State Treasurer of this State upon such terms and conditions as will in all respects afford the same protection and indemnity as is herein provided for to be afforded by said bond." Sec. 177. "Every fire insurance company not organized under the laws of this State, hereafter issuing or causing or authorizing to be issued any policy of insurance other than life insurance, shall first have filed with the Commissioner of Insurance and Banking during the calendar year in which such policy may issue or authorize or cause to be issued a bond of good and sufficient sureties to be approved by such Commissioner in a sum not less than ten thousand dollars, conditioned for the payment of all lawful obligations to citizens of this State arising out of any policies or contracts issued by such fire insurance company, which such bond shall be subject to successive suits by citizens of this State so long as any part of the same shall not be adjusted and so long as there remains outstanding any such obligations or contracts of such fire insurance company. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor, and upon conviction shall be punished by a fine of not less than one hundred nor more than five hundred dollars or by imprisonment

in the county jail for not less than three nor more than twelve months, or by both such fine and imprisonment. This act shall not apply to any person, firm or corporation or association doing an interinsurance, cooperative or reciprocal business."

DOMESTIC COMPANIES—Chap. 3, Sec. 49. "Any number of persons desiring to form a company for the purpose of transacting insurance business shall adopt and sign articles of incorporation and submit the same to the Attorney-General, and if said articles shall be found by him to be in accordance with the laws of this State, and of the United States, he shall attach thereto his certificate to that effect, whereupon such articles shall be deposited with the Commissioner of Insurance and Banking." Sec. 50. "Such articles shall contain the name of the company, and the name selected shall not be so similar to that of any other insurance company as to be likely to mislead the public, the locality of the principal business office of such company, the kind of insurance business which the company proposes to engage in, the amount of its capital stock, which shall in no case be less than \$100,000." There must be from seven to thirteen directors. Domestic companies are governed by the laws relating to companies in general, when not inconsistent with the particular provisions regulating the former.

EXAMINATIONS—Sec. 37. "The Commissioner of Insurance and Banking for the purpose of examination authorized by law, has power, either in person or by one or more examiners by him commissioned in writing, * * * to visit, at its principal office, wherever situated, any insurance company doing business in this State, for the purpose of investigating its affairs and conditions, and shall revoke the certificate of authority of any such company in this State refusing to permit such examination." License of company may be revoked or modified for any non-compliance with law. Domestic mutual companies must be examined biennially.

FEES—Every copy of paper on file, 15 cents per 100 words, in English; in other languages, 25 cents; translations, 30 cents; for filing declaration or certified copy of charter, \$25; for filing annual statement, \$20; for certificate of authority, \$1 (for company, no charge for agents' licenses); for affixing certificate and seal, \$1; for certificate not provided for, 50 cents; for official examination, actual expenses incurred and \$10 per day, not to exceed \$250; for two certificates of compliance (for publication), \$1; licensed brokers, \$25; domestic mutuals for obtaining charter, \$20; for license, \$1; for filing annual statement, \$10 (printer's or county mutual company, \$5). Fees payable to the Insurance Commissioner. (See "Taxes.")

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—Provision is made for the investigation of fires, etc., by a State Fire Marshal, who shall be a member of the State Insurance Commission.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—In a letter dated July, 1915, the Commissioner said: "There is no provision in our

laws requiring foreign companies to file their home office statement in this Department. Companies doing business in Texas therefore exercise their own discretion as to whether or not they will file such a statement in this Department."

GENERAL PENALTIES—Chap. 21, Sec. 426, Digest of 1913. "If any person shall violate any provision of the laws of this State regulating the business of life, fire or marine insurance, he shall be punished by fine of not less than \$500, nor more than \$1000." Penalty for non-payment of final judgment longer than thirty days, revocation of license until execution is satisfied.

IMPAIRMENT—If the capital stock of a company is impaired to the extent of twenty per cent, the company must make good its whole capital stock within sixty days, or cease to do business in the State. The Commissioner may permit the reduction of capital of domestic companies, under restrictions, to an amount not less than \$100,000.

INVESTMENTS PRESCRIBED—The capital stock of a company shall consist in lawful money of the United States, or in bonds of Texas or any county or incorporated town or city thereof, or stock of any national bank, or in first mortgages on real estate in Texas, worth double the amount loaned thereon. Surplus funds may be invested in or loaned upon the pledge of public stocks or bonds of the United States, or any of the States, or stocks and bonds or other evidences of indebtedness of any solvent dividend-paying corporation, or in bills of exchange or other commercial notes or bills, except its own stock, provided, always, that the current market value of such evidences of indebtedness shall at all times during the continuance of such loans be at least twenty per cent more than the sum loaned thereon. Mutual companies may invest in mortgages, bonds of State of Texas, or of any county, city, town or school district in Texas. Domestic companies may hold only such real estate as is requisite for the convenient accommodation of their business, and such other real estate as is acquired under foreclosure or in satisfaction of debts.

LICENSED BROKERS—A regularly licensed agent of one or more companies may be authorized to place excess lines in unauthorized companies, after the party desiring such excess insurance has filed an affidavit that the capacity of the authorized companies has been exhausted. A fee of \$25 is charged for this license, and the agent must file a bond for \$1000, and must report gross premiums received for such excess insurance semi-annually, on January 31 and July 31, and pay a tax of five per cent thereon.

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital (except on cotton in bales and grain) net, after reinsurance in authorized companies. "One Risk" means one building.

LLOYDS—No specific provision.

MISCELLANEOUS—No suit under a policy must be taken to a United States court. Penalty for violation, forfeiture of license and non-renewal of same for three years. No fire insurance company is permitted to transact life or health insurance. Companies issuing joint policies

must all comply with the laws of the State. Immaterial misrepresentations do not void policies. Company licenses expire on last day of February. License shall be revoked on failure to pay judgment within 30 days after notice of issuance thereof. No policies are allowed to have any allusion to a lien on property insured. An act of the 1913 legislature provides that breach of warranties in fire policies on personal property constitutes no defense unless same contributed to the loss. Judgment for attorneys' fees against insurance company when losing case. (R. S., Art 3701. Art 3096, 1895.) Companies in process of promotion are subject to supervision by the Commissioner of Insurance and Banking.

MUTUAL COMPANIES—May be organized by seven or more residents of the State. Company must secure 100 applicants, each owning real estate worth \$1000; and a cash payment of not less than fifty per cent of the first premium must be made. Charters are issued by Insurance Commissioner, and he certifies as to correctness of notes and applications. Expenses must not exceed thirty-five per cent of the annual premiums. Other State companies must have \$100,000 in excess of liabilities (Chap. 16).

PRELIMINARY DOCUMENTS—Company must file certified copy of charter with all amendments, name and residence of each of its officers, directors and members, certificate of compliance, a schedule of Texas agents, an attested copy of its last annual statement, a certificate of deposit, and an affidavit of compliance with resident agents' law. Certificate of compliance with laws of company's home State required annually, within sixty days after January 1.

PUBLICATION—Certificates of authority must be published annually, within thirty days after issuance, for three successive weeks in two newspapers printed in the State; evidence of publication must be filed with Commissioner.

RATING SCHEDULES TO BE FILED—The Law of 1910 was repealed in 1913 and a State Fire Insurance Commission was instituted to replace the State Rating Board. Chap. 9, Sec. 192. "After this Act shall take effect, a maximum rate of premiums to be charged or collected by all companies transacting in this State the business of fire insurance, as herein defined, shall be exclusively fixed and determined and promulgated by the State Fire Insurance Commission created by this Act, and no such fire insurance company shall, after this Act takes effect, charge or collect any premium or other compensation for or on account of any policy or contract of fire insurance as herein defined in excess of the maximum rate as herein provided for, but may write insurance at a less rate than the maximum rate as herein provided for; provided, that when insurance is written for less than the maximum rate, such lesser rate shall be applicable to all risks of the same character situated in the same community."

The law applies to all companies writing policies of fire insurance; creates a State Fire Insurance Commission of three members and confers upon the Commission full authority to regulate the writing of fire insurance in the

State, making it the duty of the Commission to collect and maintain a classified record of the fire losses in the State to be used in determining equitable rates, etc. The Commission is to prescribe, fix, form and regulate the rates of fire insurance, and to make and prescribe the general basis schedules, together with rules and regulations for applying the same to specific risks for the purpose of determining the maximum rates at which insurance companies may write insurance in the State; also, to alter, revise, prepare and lower such rates, and to alter, prepare and lower the general basis schedules or any part thereof. The Commission may also employ inspectors and other employees. After general basis schedules are promulgated it shall be the duty of the fire insurance companies to apply such schedules to the specific risks in the State, and thus obtain maximum insurance rates on such risks. A company may write insurance at a lower rate than the maximum, but must file a copy of such reduction with the State Fire Insurance Commission, and the latter shall file a certified copy of such statement of the reduced rate with the county or city clerk of the locality where such reduction is made. The law also provides for the promulgation of uniform policies of insurance by the Commission, and prohibits the co-insurance clause. Provision is made for hearings on complaints of policyholders, citizens or insurance companies, in relation to any order, rate or rule made by the Commission, and also for appeal to the courts. Rebates are prohibited, but profit-sharing policies may be issued provided that the profit-sharing is uniform, and is specified on the face of the policy. The substance of the fire marshal law of Minnesota is included in this law, and the fire marshal is a member of the State Fire Insurance Commission. Purely mutual and purely profit-sharing or co-operative companies, and inter-insurance and reciprocal exchanges, are exempted from the provisions of the law.

RECIPROCAL LAW—No provision as to fire or marine companies.

REINSURANCE—Reinsurance of Texas risks in companies not authorized in that State, is prohibited. Schedules of reinsurances must be filed annually. In December, 1910, the Insurance Commissioner stated that, in his judgment, all reinsurance contracts made by authorized companies should be countersigned by a resident agent. Attorney-General rules that a company cannot legally reinsure cotton and grain risks in an unadmitted company.

REINSURANCE RESERVE—Chap. 2, Sec. 16, Par. 7. "For every company doing fire insurance business in this State, he shall calculate the reinsurance reserve for unexpired fire risks by taking fifty per cent. of the premiums received on all unexpired risks that have less than one year to run, and a pro rata of all premiums received on risks that have more than one year to run, provided, that when the reinsurance reserve, calculated as above, is less than forty per cent of all the premiums received during the year, the reinsurance reserve in this case shall be the whole of the premiums received on all of its unexpired risks." Reserve on marine

and inland (unexpired) risks, 100 per cent of premiums. The reserve of Texas companies when declaring dividends shall be computed by taking forty per cent of premiums on all unexpired fire risks, and one hundred per cent of marine and inland premiums in force. Mutual companies must provide reserve equal to forty per cent of premiums on policies in force for one year, and pro rata on those having more than one year to run.

RESIDENT AGENTS—Chap. 21, Sec. 432, Digest of 1913. "Any fire, fire and marine, marine, tornado * * * insurance company legally authorized to do business in this State is hereby prohibited from authorizing or allowing any person, agent, firm or corporation that is a non-resident of the State of Texas to issue or cause to be issued, to sign or countersign, or to deliver or cause to be delivered, any policy or policies of insurance on property * * * located in the State of Texas, except through regularly commissioned and licensed agents of such companies in Texas; provided, however, that this act shall not apply to property owned by railroad companies or other common carriers; and provided further, that upon oath made in writing by any person, that he can not procure insurance on property through such agents in Texas, it shall be lawful for any insurance company not having an agent in Texas to insure property of any person upon application of said person, upon his filing said oath with the County Clerk of the county in which such person resides." Sec. 433. "Before a certificate or license to any fire, fire and marine, marine, tornado * * * insurance company is issued authorizing it to transact business in this State, the Insurance Commissioner shall require in every case, in addition to the other requirements already made and provided by the law that each and all such insurance companies herein mentioned shall file with him an affidavit that it has not violated any provision of this act. Sec. 434. "That any person, agent, firm or corporation licensed by the Commissioner of Insurance to act as a fire and marine, marine, tornado * * * insurance agent in the State of Texas, is hereby prohibited from paying, directly or indirectly, any commission, brokerage, or other valuable consideration on account of any policy or policies covering property, person or persons, in the State of Texas, to any person, persons, agent, firm or corporation that is a non-resident of the State of Texas, or to any person or persons, agent, firm or corporation not duly licensed by the Commissioner of Insurance and Banking of the State of Texas as a fire, fire and marine, marine, tornado * * * insurance agent." Sec. 435. "That whenever the Commissioner of Insurance shall have or receive notice or information of any violation of any of the provisions of this act, he shall immediately investigate or cause to be investigated such violation, and if a fire, fire and marine, marine, tornado * * * insurance company has violated any of such provisions aforesaid, he shall immediately revoke his license for not less than three months, nor more than six months, for the first offense, and for each offense thereafter for not less than one year, and if any person, agent, firm or corporation licensed by the Commissioner of Insurance as a fire, fire and marine,

marine, tornado * * * insurance agent shall violate or cause to be violated any of the provisions of this act, he shall for the first offense have his license revoked for all companies for which he has been licensed, for not less than three months, and for the second offense he shall have his license revoked for all companies for which he is licensed, and shall not thereafter be licensed for any company for one year from date of such revocation." Sec. 436. "For the purpose of enforcing the provisions of this act, the Commissioner of Insurance is hereby authorized and it is made his duty, at the expense of the company investigated, to examine at the head office, located within the United States of America, all books, records and papers of such company and also any officers or employees thereof under oath as to violations of this act, and he is further hereby empowered to examine any person or persons, administer oaths and send for papers and records and failure or refusal upon the part of any fire, fire and marine, marine, tornado * * * insurance company, person or persons, agent, firm or corporations, licensed to do business in the State of Texas to appear before the Commissioner of Insurance when requested to do so or to produce records and papers, or answer under oath, shall subject such fire, fire and marine, marine, tornado * * * insurance company, person, or persons, agent, firm, corporation to the penalties of this act."

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—Chap. 9, Sec. 209, Digest of 1913. "It shall be the duty of the State Insurance Commission to make, promulgate and establish uniform policies of insurance applicable to the various risks of this State, copies of which uniform policies shall be furnished each company doing business in this State, or which may hereafter do business in this State. That after such uniform policies shall have been established and promulgated and furnished the respective companies, doing business in this State, such companies shall, within sixty days after the receipt of such forms of policies, adopt and use said form or forms and no other; also all companies which may commence business in this State after the adoption and promulgation of such forms of policies, shall adopt and use the same and no other forms of policies.

"The said State Fire Insurance Commission shall also prescribe all standard forms, clauses and endorsements used on or in connection with insurance policies. All other forms, clauses and endorsements placed upon insurance policies shall be placed thereon subject to the approval of the commission."

TAXES—Chap. 1, Sec. 278, Digest of 1913. "Every insurance company transacting the business of fire, marine, marine inland * * * insurance within this State, * * * at the time of filing its annual statements, shall report to the Commissioner of Insurance and Banking the gross amount of premiums received in the State upon property, and from persons residing in the State during the preceding year, and each of such companies shall pay an annual tax upon such gross premium receipts as follows: Shall pay a tax of two

and six-tenths per cent, provided that any company doing two or more kinds of insurance business herein referred to, shall pay the tax herein levied upon the gross premiums received from each of said kinds of business; and the gross premiums receipts where referred to in this act are understood to be the premium receipts reported to the Commissioner of Insurance and Banking by the insurance companies upon the sworn statement of two principal officers of such companies, less return premiums paid policyholders, and to the premiums paid for reinsurance in companies authorized to do business in this State." Sec. 279. "Upon receipt by him of sworn statements, showing the gross premium receipts by such companies, the Commissioner shall certify to the State Treasurer the amount of taxes due (by) each company, which tax shall be paid to the State Treasurer for the use of the State on or before the first of March following, and the receipt of the Treasurer shall be evidence of the payment of such taxes. No insurance company shall receive a permit to do business in this State until such taxes are paid." Sec. 280. "If any such insurance company shall have as much as one-fourth of its entire assets, as shown by said sworn statement, invested in any or all of the following securities: Real estate in the State of Texas; bonds of this State or of any county, incorporated city or town of this State, or other property in this State in which by law such companies may invest their funds, then the annual tax of any such company shall be one per cent of its said gross premium receipts; and if any such company shall invest as aforesaid as much as one-half of its assets, then the annual tax of such companies shall be one-half of one per cent of its gross premium receipts, as above defined; and provided, further, that no occupation tax shall be levied on insurance companies herein subjected to a gross premium receipt tax, by any county, city or town; * * * Sec. 281. "The tax aforesaid shall constitute all taxes and license fees collectible under the laws of this State against any such insurance companies, and no other occupation or other taxes shall be levied on or collected from any insurance company by any county, city or town, but this act shall not be construed to prohibit the levy and collection of State, county and municipal taxes upon the real and personal property of such companies. * * *" Mutual companies are exempt from this tax. The effect of section 281 is modified by the law of 1913, under which a tax of one and one-fourth per cent of the gross premiums is payable yearly by all fire insurance companies to the "State of Texas" to cover the expenses of the State Fire Insurance Commission; should said amount be more than necessary the Insurance Commission may reduce the rate for the next succeeding year. Chap. 9, Sec. 222, Digest of 1913. Commissioner of Insurance and Banking rules that this tax is payable to State Treasurer. Occupation taxes are collected as follows: (Chap. 21, Sec. 446). "From each and every person acting as general adjuster of losses, or agents of life, fire, marine and accident insurance companies, who may transact any business as such in this State, an annual occupation tax of \$50.

By general agent, as used in this law, is meant any person or firm, representative of any insurance company in this State, or who may exercise a general supervision over the business of such insurance company in this State, or over the local agency thereof in this State, or any subdivision thereof; provided, that when such a general agent acts as a local agent he shall pay an additional tax as local agent, as hereinafter provided." Domestic mutual companies pay one-half of one per cent on gross premiums received; no other tax. No franchise tax is levied upon printers and county mutual companies. Chap. 4, Sec. 89. "Insurance companies incorporated under the laws of this State shall hereafter be required to render for State, county and municipal taxation all of their real estate as other real estate is rendered, and all of the personal property of such insurance companies shall be valued as other property is valued for assessment in this State in the following manner: From the total valuation of its assets shall be deducted the reserve, being the amount of the debts of insurance companies by reason of their outstanding policies in gross, and from the remainder shall be deducted the assessed value of all real estate owned by the company and the remainder shall be the assessed taxable value of its personal property. Home insurance companies shall not be required to pay any occupation or gross receipt tax."

TAX STATEMENTS—Must be filed before March 1. See "Taxes."

VALUED POLICY—Chap. 9, Sec. 181. "A fire insurance policy, in case of a total loss by fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policies; provided, that the provisions of this article shall not apply to personal property."

COUNTY TAXES AND FEES.

None. ("See Municipal Taxes and Fees.")

MUNICIPAL TAXES AND FEES.

(In July, 1908, the Commissioner of Insurance and Banking wrote that an act taking effect January 1, 1908, "repealed the law, as it formerly existed, taxing certain occupations, including under this head local insurance agents; but the law was allowed to stand with regard to the occupation tax upon general adjusters or agents of life, fire, marine and accident insurance companies and they continue to pay an occupation tax of \$50 per year. * * * There is no municipal tax imposed upon local fire insurance agents. There is the State occupation tax against general agents named above, but no State or local tax upon local agents and no local tax upon general agents.")

UTAH.

STATE REQUIREMENTS.

AGENTS DEFINED—Ins. Code, 1909, Sec. 22. “* * * Any person who shall solicit and procure an application for insurance, other than fire insurance, shall, in any controversy between parties to the contract, or between the parties to the contract and the beneficiary, if any, be held to be the company's agent, whatever conditions or stipulations may be contained in the policy or contract.”

AGENTS' LICENSES—Agents must procure licenses, which expire annually March 1. Penalty for acting as agent without a license or for representing an unlicensed company, for each offense, fine of \$100 or imprisonment for two months, or both. Licenses are issued to firms and corporations, one license covering all members and regular employees who work on salary.

ANNUAL STATEMENTS—Must be filed by March 1, showing condition as of December 31 next preceding. Penalty for violation, revocation of license. These annual statements and the tax statements are the only ones required to be filed annually in Utah.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—No law forbidding co-operation.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—A resident of the State must be appointed to accept service of legal process, and a new power of attorney must be filed with Insurance Commissioner annually before March 1.

CANCELLATION OF POLICY—No provision.

CAPITAL REQUIRED—Ins. Code 1909, Sec. 26. “No joint stock fire insurance company shall be permitted to do any business in this State, unless it is possessed of an actual paid-up cash capital and surplus as follows: (1) Companies with territory not limited to Utah, a capital of not less than \$200,000, and a net surplus over all liabilities of not less than \$100,000, or a capital and net surplus over all liabilities aggregating \$300,000. (2) Companies, the business of which is limited to Utah only, a capital of not less than \$50,000, and a net surplus over all liabilities of not less than \$50,000. (3) No mutual or mutual assessment fire insurance company shall be permitted to do any business in this State unless it is possessed of cash assets as follows: (4) Companies with territory not limited to Utah, cash assets of not less than \$100,000. Companies whose business is limited to Utah only, cash assets of not less than \$25,000, such assets to be net after deducting all liabilities other than reinsurance reserve. Companies with a guaranty fund shall be required to have the same capital and surplus as that required of joint stock companies. No mutual or mutual assessment fire insurance company, shall receive a certificate of authority to do business in this State until it has filed with the Insurance Commissioner a

satisfactory bond, to be approved of by the Insurance Commissioner, executed by at least two resident freeholders of this State or by a surety company authorized to do business in this State, in the penal sum of \$10,000 for the use and benefit of the policyholders of such company in this State, who, in any action against such company, may make such sureties or surety company defendants to the suit, and a judgment shall be rendered against them as shall be proper. If the total annual premiums of such company in this State should exceed \$10,000, then the bond shall be increased to an amount equal to such premiums. If the insurance company so desires, it may, in lieu of such bond, deposit with the Commissioner of Insurance bonds or securities of the kind mentioned in paragraph (1), Sec. 27, of this Act, equal in value to the amount of such bond, the value thereof to be determined by said Commissioner. In the event of a policyholder of this State recovering judgment against such company, the Court shall make such decree for the sale of such securities to satisfy the same as may be just and proper.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents.

DEPOSIT—Sec. 26. “* * * No insurance company not organized under the laws of a State, Territory or district of the United States, shall be admitted or permitted to do any business in this State, until, beside complying with the Insurance Laws of this State, it has made a deposit with the Commissioner of Insurance of this State, or with the duly authorized officer of some other State of the United States, of a sum of not less than the capital or capital and surplus or guaranty or surplus fund required of like companies under this Act. Such deposit must be an exclusive trust for the benefit and security of all the company's policyholders and creditors in the United States and may be made in the securities, but subject to the limitations specified in Sec. 27 of this Act; and such deposit shall be deemed for all purposes of the insurance laws, the capital or capital and surplus or guaranty or surplus fund of the company making it. Foreign companies must have at least \$200,000 on deposit with the proper official in one State or Territory of the United States.

DOMESTIC COMPANIES—Ins. Code 1909, Sec. 31. “Any number of persons, not less than five, at least, one of whom shall be a resident of this State, may associate to establish a joint stock insurance company. * * * The Secretary of State shall not issue a certificate of incorporation to any insurance company unless it shall appear by affidavit that the subscribed capital and net surplus or guaranty fund when required by this Act shall have been paid as required by Sec. 26 of this Act.” Duplication of corporate names is prohibited.

EXAMINATIONS—Ins. Code, 1909. Sec. 15. “The Commissioner of Insurance shall examine and inquire into violations of the insurance laws of this State, and for this purpose, or to see if the laws are obeyed, or to examine the financial condition, affairs and management of any company,

he may visit or cause to be visited by any competent person or persons he may appoint, the head office in the United States of any domestic or foreign insurance company, applying for admission to or already admitted to do business in this State, and may for this purpose examine or investigate any company organized under the laws of Utah, and any agency of any company doing business in this State; provided, that the written consent of the State Board of Examiners must be obtained to all examinations, inquiries, or investigations made beyond the borders of the State of Utah. The cost of such examinations, when made beyond the borders of the State of Utah, shall be paid by the company examined, and shall include the reasonable expenses of the Commissioner, and assistants employed therein, whose services are paid for by the Department, and the compensation and reasonable expenses of his assistants employed therein whose services are not paid by the Department. * * * The Commissioner may also examine companies upon the request of five or more of the policyholders, representing at least \$100,000 insurance in force, who shall make affidavit of their belief, with specifications of their reasons therefor in writing, showing reasonable grounds for such belief, that such company is in an unsound or insolvent condition, provided that only the United States branches of companies incorporated in foreign countries shall be examined by said Commissioner." Penalty for obstructing an examination, fine not exceeding \$500 or imprisonment not exceeding three months, or both.

FEES—There shall be paid by every insurance company doing business in this State, to the Commissioner of Insurance, the following fees: For filing statement preliminary to admission (foreign companies), \$50; for filing certified copy of acceptance by foreign companies of the provisions of the Constitution of the State of Utah, \$3; for filing any power of attorney, \$1; for filing articles of incorporation and by-laws of foreign companies and examination thereof, \$25; for filing amendments to articles of incorporation and by-laws of foreign companies, and examination of, \$5; for filing annual statement, \$50; for certificate of authority to transact business in this State, \$5 (certificates expire last day of February); for each copy of certificate of authority for use of agents and solicitors, \$2; for preparing synopsis of annual statement for publication and certifying the same, \$5; for each copy of any paper filed in his office, per folio, 20 cents; for affixing the seal of his office and certifying any paper, \$1; for examinations outside of Utah, expenses thereof.

FIRE DEPARTMENT TAX—Under a law passed in 1911 a tax of one per cent is levied on the premiums collected by fire insurance companies in cities having fire departments of a prescribed efficiency, but this was subsequently declared unconstitutional by the United States District Court.

FIRE MARSHAL—No law providing for investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTIES—Ins. Code 1909, Sec. 16. "When the Commissioner of Insurance deems it to the interest of the public, he may publish the result of any examination or investigation in a daily newspaper published in and of general circulation in the State. If the Commissioner finds, upon examination, hearing or other evidence, that any foreign or domestic insurance company is in an unsound or insolvent condition or has failed to comply with the law or with the provisions of its charter, or that its condition is, or its methods are, such as to render its operation hazardous to the public or its policyholders, or that its actual assets, exclusive of its capital, are less than its liabilities, or if its officers or agents refuse to submit to examination or to perform any legal obligation relative thereto, or refuse on behalf of the company to pay the examination charges, he shall suspend or revoke all certificates of authority granted to said insurance company, and its officers or agents, and shall cause notice thereof to be published in one or more daily newspapers, which shall have a general State circulation, and no new business shall thereafter be done by it or its agent in this State, while such default or disability continues, nor until its authority to do business is restored. Before suspending or revoking the certificate of authority of any such company, the Commissioner shall, unless it is insolvent or its capital impaired, grant it fifteen days in which to show cause why such action should not be taken. Any foreign or domestic insurance company whose certificate of authority has been suspended or revoked by the Commissioner, may, within fifteen days thereafter, appeal from said order to the District Court of the district in which its principal place of business is located, which Court, upon filing the proper petition, shall cause the record and orders of the Commissioner to be brought before it, and upon a hearing of the case by the Court *de novo*, the Court shall either confirm or revoke the order of the Commissioner, as the law and the facts of the case may warrant." In general any violation of the insurance law is a misdemeanor.

IMPAIRMENT—None permitted. See "General Penalties."

INVESTMENTS PRESCRIBED—Ins. Code, 1909, Sec. 27. "(1) No insurance company shall transact business in this State unless it is possessed of the actual amount of capital or guaranty or surplus funds as required in Sec. 26 of this Act, in cash or invested in bonds or public stock issued or created by the United States, or by this State, or by any other State of the United States, or the District of Columbia, or any or either of them, or by any of the incorporated cities, counties, townships, or other municipal corporation thereof; or in bonds or notes secured by mortgages or trust deeds on unencumbered real estate located within said States or the District of Columbia, or either of them, worth at least fifty per cent more than the sum invested or loaned thereon. (2) Domestic insurance companies hereafter organized may, after complying with the provisions of this Act, invest their additional surplus or other funds, in such securities as are named in paragraph (1) hereof; or may loan upon,

or purchase real estate or mortgage bonds of railroad companies organized under the laws of said State, or the District of Columbia, or either of them, or operated therein, or the capital stock, bonds, securities, or evidences of indebtedness created by any corporation or corporations created under the Laws of the United States, or of this, or any other State, except the stock of mining companies; provided, that no loan shall be made or retained on any of the above-mentioned securities, except the bonds or stocks issued or created by the United States, or this State, exceeding ninety per centum of the market value thereof; and provided, further, that no loan shall be made by any company on its own stock."

LICENSED BROKERS—No provision.

LIMIT ON A SINGLE RISK—Ten per cent. of paid-up capital and surplus (net). A mutual company's limit is 5 per cent of net premium income in preceding year.

LLOYDS—Ins. Code, 1909, Sec. 2. "That in this Act, unless the context otherwise requires, "Company" or "Insurance Company" shall include all corporations, associations, partnerships, or individuals engaged as principals in the insurance business, excepting fraternal and benevolent orders and societies."

MUTUAL COMPANIES—Ins. Code, 1909, Sec. 62. "Twenty-five or more persons, citizens of this State, may form a corporation to carry on the business of insurance on the mutual plan or fire insurance upon the assessment plan. The Secretary of State shall not issue a certificate of incorporation to any such insurance company organized on the mutual or the assessment plan unless it shall appear by affidavit of at least three of the incorporators that a guaranty or equivalent fund shall have been provided, as required in Section 26 of this Act, and until the Commissioner shall have approved the same." The word "Mutual" must be embodied in the title. County and district (a district is defined as not less than one county nor more than four) mutuals may be organized by 50 residents owning \$50,000 of property, when \$100,000 shall have been written in risks (as amended in 1915).

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a copy of its last annual statement showing the condition of the company, also certified copies of its articles of incorporation and by-laws and certificate of incorporation, coupled with an acceptance of the provisions of the Ins. Code of the State. Penalty for doing business in Utah without authority, fine of \$100. Certificate of incorporation and by-laws, and acceptance of constitution, are filed but once.

PUBLICATION—A statement prepared by the Commissioner of Insurance, together with a copy of certificate of compliance, must be published annually within thirty days after issuance of certificate of authority, at least four times, in newspaper published at the capital, at the company's expense.

RECIPROCAL LAW—None.

REINSURANCE—Ins. Code, 1909, Sec. 56. "Every insurance company doing business in this State may reinsure the whole or any part of any policy obligation in any other insurance company. When the reinsurance is made by any other than a life insurance company, the company so reducing its direct amount at risk shall, for the purpose of computing its unearned premium fund, deduct from the original or policy premium on said direct amount at risk, the net sum actually paid for reinsuring such risk. The company taking over or acquiring the risk, through reinsurance, shall enter in premium in force at any time the premiums actually received for risks thus acquired through reinsurance, the unearned premium to be computed by the company ceding the risk upon the balance of policy premium in force after deducting the sum actually paid as a premium consideration for the risk so ceded. The company taking over such reinsurance shall compute its unearned premium fund on account thereof upon the basis of the actual amount of net premium so received and in force at the time of such computation. But this provision shall not apply to a company that reduces by reinsurance its direct liability to the holders of its policies as a step preliminary to its permanent or final retirement from the business. Said retiring company shall then be credited in reduction of its outstanding policy liability with the original or policy premium reinsured, irrespective of the net sum actually paid for such reinsurance, and the company taking over such outstanding risks shall be charged with an unearned premium fund on the original or policy premium on said risks, as the same appear in the outstanding policies of the retiring company. No credit of any kind shall be allowed or given, either as a reduction of taxes or of liabilities, to any company transacting business in this State for reinsurance made in companies not authorized to issue policies in this State." Schedules of insurance may be required at any time by the Commissioner of Insurance.

REINSURANCE RESERVE—"The amount required to safely reinsure all outstanding risks."

RESIDENT AGENTS—Insurance Code, 1909, Sec. 34. "No insurance company or association (other than life) not incorporated under the laws of this State, shall make, write or place any policy or contract of insurance of any kind or character binding in law upon any person or property situated or located in this State, except after the said risk has been approved by an agent resident of this State, regularly commissioned and licensed to transact insurance business in Utah for said company, who shall countersign all policies so issued and receive their commission thereon, and also to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance written herein. This section shall not apply to reinsurance policies nor insurance covering the rolling stock of railroad corporations, where such railroad line lies partially within and partially without the State of Utah, or to property in

transit while in the possession and custody of common carriers." Refusal to submit to examination to ascertain possible violations of above section will be deemed conclusive evidence of violation. Penalty for violation, \$300 for each offense; for non-payment of judgment for thirty days, revocation of license for one year.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—No provision.

TAXES—Ins. Code, 1909, Sec. 17. " * * * All insurance companies engaged in the transaction of business of insurance in this State shall annually, on or before the first day of March in each year, pay to the Commissioner of Insurance $1\frac{1}{2}$ per cent of the gross amount of premiums received less the amount of all premiums returned, within this State during the year ending the previous 31st day of December; provided, that if any insurance company shall have paid a property tax during said year, it shall be entitled to deduct from the tax therein provided the amount of such property tax paid for general State purposes." Sec. 18. "The taxes and fees, as provided herein, shall be in lieu of all other taxes, licenses and fees of every kind and character by the State or any subdivision or village, town or municipality thereof."

TAX STATEMENTS—Must be filed before March 1. See "Taxes."

VALUED POLICY—No law of this character.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

BRIGHAM—For each agent, \$6 per annum, payable semi-annually, January 1 and July 1.

VERMONT.

STATE REQUIREMENTS.

AGENTS DEFINED—No statutory definition.

AGENTS' LICENSES—Agents must procure licenses, which are renewable annually on April 1. Agents may act as brokers if license fees amount to \$10. Penalty for acting for unauthorized company, \$100 to \$1000. Applications for licenses need not be signed, under seal, by company officials. Each member of firm who solicits insurance and each person soliciting for an agency corporation is required to have a license.

ANNUAL STATEMENTS—Domestic mutual fire companies' statements must be filed by August 15 for the year ending July 31 preceding; other fire insurance companies must file their statements with the Insurance Commissioners in January covering the preceding calendar year.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—No law forbidding co-operation.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Secretary of State must be authorized to accept service of legal process. In case of non-compliance with the provisions of the law, service may be had on any agent. Penalty for transacting business without having appointed the Secretary of State as attorney, fine of \$100 to \$500.

CANCELLATION OF POLICY—No requirement as to notice to insured.

CAPITAL REQUIRED—Company must possess an unimpaired capital of \$100,000, at least one-half of which must be invested in cash securities other than real estate mortgages.

COMMISSIONS TO NON-RESIDENTS—No prohibition.

DEPOSIT—None required.

DOMESTIC COMPANIES—Chap. 203, P. S., Sec. 4760. "No domestic stock fire insurance company or corporation shall be hereafter organized with a less capital stock than \$100,000 paid in cash." Sec. 4756. "No domestic insurance company or association shall issue policies until, upon examination of said commissioners or their deputy, it is found to have complied with the laws of this State, and obtained from said commissioners a certificate stating that fact and authorizing it to issue policies."

EXAMINATIONS—Chap. 203, Sec. 4803. "At least once in five years and whenever the Insurance Commissioners determine it to be prudent, said Commissioner shall personally, or by their deputy or examiner, visit each domestic insurance company, and thoroughly inspect and examine its affairs to ascertain its financial condition, its ability to fulfil its obligations, and whether it has complied with the provision of law. * * * Sec. 4804. "When said Commissioners determine it to be prudent for the protection of policyholders in this State, they shall in like manner visit and examine, or

cause to be visited and examined by some competent person or persons whom they may appoint for that purpose, any foreign insurance company applying for admission or already admitted to do business by agencies in this State, and such company shall pay the proper charges incurred in such examination, including the expenses of the Commissioners or their deputy and the expenses and compensation of their assistants employed therein. Such examination shall include a computation of the reinsurance reserve."

FEES—For each company license, \$5; for each license or renewal to agents (one for each member of firm), \$2; for each broker's license, \$10; for license to place insurance in unauthorized companies, \$10, if issued between April 1 and September 30, and \$5 if issued between October 1 and March 31; filing annual statement, \$20; for filing charter on admission (reciprocal), \$30; for each service of process, \$1. It is not optional with the department to reduce or remit any of above fees, which are payable to the Insurance Commissioners.

FIRE DEPARTMENT TAX—Governed by reciprocal law.

FIRE MARSHAL—No provision for investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—None required.

GENERAL PENALTY—Chap. 203, Sec. 4821. "When the Insurance Commissioners believe that an insurance company organized under the laws of this or any other State, or an officer or agent thereof, or any other person, has violated the law relating to insurance, or has not complied with its requirements, they shall forthwith report the fact with any information they have relating thereto to any State's Attorney, who shall, if in his judgment it is advisable so to do, prosecute therefor; and the offender shall be fined not more than \$2000 and cost of prosecution." Penalty for not paying judgment within thirty days, revocation of license; company or agent issuing policy after suspension may be fined not more than \$200. A foreign company's license may be revoked for any violation of law.

IMPAIRMENT—Chap. 203, Sec. 4766. "* * * But the Insurance Commissioners may, in their discretion, license a company to do business whose impairment of capital does not exceed twenty per cent under the above rule." (See "Capital Required.")

INVESTMENTS PRESCRIBED—Capital of foreign companies must be in securities readily available into cash, not less than one-half of which is invested in cash securities other than mortgages on real estate. Capital of domestic companies, surplus funds and other assets, shall be invested in such securities as are permitted by law to savings banks, savings institutions and trust companies, but such funds shall not be invested in or loaned upon its own stock or the stock of any other insurance company. Real estate convenient for the accommodation of its business may be held at a cost not exceeding twenty-five per cent of its available cash assets and not otherwise, but may hold real estate acquired under the conditions of any

mortgage owned by it or by purchase or set-off on execution upon judgment for debts due it in the course of its legitimate business.

LICENSED BROKERS—Chap. 203, Sec. 4812. Amended in 1912 to read:

"The Insurance Commissioners may, upon the payment of \$10, issue to a suitable person who is a resident of this State, a license to act as an insurance broker to negotiate contracts of insurance, or reinsurance or place risks or effect insurance or reinsurance with a domestic insurance company or its agent, or with the authorized agent in this State of a foreign insurance company duly admitted to do business in this State. An applicant for such license shall file with the Insurance Commissioners an application in writing in the form prescribed by said Commissioners." Chap. 203, Sec. 4815. "The Insurance Commissioners may issue a license to any person, resident of this State, permitting the person named therein to procure policies of fire insurance on property in this State in foreign insurance companies not authorized to transact business in this State. * * *." Such brokers pay a tax of three per cent on gross premiums less return premiums, upon filing their annual statements in January. Quarterly statements are also required.

LIMIT ON A SINGLE RISK—No restriction.

LLOYDS—No provision. Law applies to companies and copartnerships.

MISCELLANEOUS—Chap. 203, Sec. 4779. "A fire insurance company or association transacting business in this State report to the Insurance Commissioners, within ten days after the adjustment of a loss, the amount of all policies issued by such company or association on the property destroyed or damaged, the amount paid or payable on account of such loss, and such other information relating to the matter as said Commissioners may require." A clause in a policy limiting the time of commencement of an action thereunder to less than twelve months, or making an award by appraisers a condition precedent to a suit, is null and void. Companies are liable for the acts of their agents as between them and the insured; and this must be stated in their policies if not specified in their articles of incorporation.

MUTUAL COMPANIES—Chap. 203, Sec. 4767. "A foreign mutual insurance company shall not do business in this State, unless it has assets amounting to \$100,000, invested in securities readily convertible into cash, not less than one-half of which is invested in cash securities other than mortgages of real estate, nor unless it has such assets equal to its outstanding liabilities, including reinsurance, reserve to be estimated as in the case of joint stock insurance companies, named in preceding section, and including the amount of guarantee capital as a liability." Domestic mutual companies must file before August 15, annually, statements covering the year ending with the 31st of July preceding. Such companies need not keep a cash reinsurance reserve or funds invested in securities other than their premium notes, when the latter amount in gross to three per cent of the amount at risk. In any year when the assessments required to pay losses

and expenses would not equal five per cent of its premium notes, a company may assess up to five per cent and carry any available balance to surplus account for the payment of future fire losses and expenses as limited by law. Such surplus shall at no time exceed ten per cent of the face of the premium notes at such time in force, and any year when the fire losses and expenses of any company accumulating a surplus in this manner shall exceed the amount of a three per cent assessment such excess may be taken from the surplus and used in payment of losses and expenses. A law of 1915 provides for the formation of co-operative fire insurance companies by thirty or more companies.

PRELIMINARY DOCUMENTS—Company must file with the Secretary of State a certified copy of its charter and by-laws, and a verified statement showing its financial condition, also power of attorney to Secretary of State, authorizing him to accept service of process. Foreign companies must also file certificates of deposit. Penalty for doing business for unauthorized company, fine of \$100 to \$1000. Certificate of compliance with laws of company's home State not required annually.

PUBLICATION—No provision.

RECIPROCAL LAW—Chap. 203, Sec. 4824. "If another State or country imposes or requires of a domestic insurance company or its agents doing business therein taxes, fees, fines, penalties, deposits, obligations or prohibitions exceeding those imposed by this State upon, or required of, foreign insurance companies doing business herein, an insurance company organized under the laws of such other State or country, and its agents doing business in this State, shall be subject to taxes, fees, fines, penalties, deposits, obligations or prohibitions similar to those so imposed in such other State or country, and the same shall be imposed, required and enforced as like taxes, fees, fines, penalties, deposits, obligations and prohibitions are under the laws of this State."

REINSURANCE—No express prohibition of reinsurance in unauthorized companies.

REINSURANCE RESERVE—Fifty per cent of premiums, less return premiums and reinsurance, on outstanding term fire risks, ninety-five per cent of premiums on perpetual risks, and one hundred per cent of ocean marine premiums, excepting on time hull risks, which may be computed at fifty per cent. See "Mutual Companies."

RESIDENT AGENTS—Chap. 203, Sec. 4764. "If the Commissioners are satisfied with such copies and statements, and that the company has complied with the provisions of this title, they shall grant a license authorizing it to do insurance business by lawfully constituted and licensed resident agents only. * * * This shall not be construed to prohibit residents of this State from procuring insurance at the home office of any foreign company." Chap. 203, Sec. 4776. "Every fire * * * insurance policy written in a foreign insurance company licensed to do business in this State, upon property located in the State, * * * shall be countersigned by a duly

authorized agent of the company insuring the property, * * * who is a resident of this State." Chap. 203, Sec. 4817. "A fire or casualty insurance company authorized to do business in this State shall not authorize or allow any person, agent, firm or corporation that is a non-resident of this State to issue or cause to be issued a policy or policies of insurance on property located in this State." Penalty for violation, revocation of license for three to six months for first offense, and for not less than one year for each subsequent offense.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—None prescribed, but No. 115 Acts of 1908, must be a part of every policy written. These requirements relate to proofs of loss and to commencement of suits.

TAXES—A two per cent tax on premiums received and assessments collected on business in the State is imposed; but in determining the amount of taxes to be assessed, there shall be deducted from the full amount of premiums and assessments the unused balance of notes taken for premiums on open policies; all sums paid for return premiums on canceled policies; dividends paid to policyholders; and the sums actually paid to other insurance companies incorporated by this State, or to the agents within this State of foreign companies, for reinsurance on risks for which a tax on the premiums would be due had no reinsurance been effected. Dividends in scrip or otherwise, in stock, mutual or mixed companies must not be considered return premiums. Taxes are payable in February to the State Treasurer. Penalty for failure to pay tax, revocation of license. There is a franchise tax of \$10 for the first \$50,000 of capital or deposit and \$5 extra for each additional \$50,000 or part thereof, but the whole not to exceed \$50, payable in February to the State Treasurer. Licensed brokers must pay a tax of three per cent on gross premiums less return premiums. Penalty for failure to pay tax, revocation of license. Domestic mutual companies pay one per cent on net cash surplus to policyholders less value of real estate. Domestic stock companies pay one per cent on surplus.

TAX STATEMENTS—Statement for license, taxes and premium must be filed before March 1.

VALUED POLICY—No provision.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

VIRGINIA.

STATE REQUIREMENTS.

AGENTS DEFINED—Any person soliciting or procuring applications for any insurance company is held to be an agent.

AGENTS' LICENSES—License must be procured by agent. Penalty for soliciting without a license not less than \$10 nor more than \$100. Licenses expire July 15, annually. Agency corporations are not licensed; each soliciting member or employee must obtain a license.

ANNUAL STATEMENTS—Must be filed with Commissioner of Insurance by February 15, showing actual condition of company on the last day of the preceding year. Time may be extended sixty days for good cause. Penalty for failure to make report, fine of not less than \$100 nor exceeding \$1000 for each failure. Penalty for filing a false report, imprisonment for two to ten years. A report showing names, etc., of officers and directors must be filed annually with State Corporation Commission within thirty days after date of annual election.

ANTI-COINSURANCE—No law forbidding use of coinsurance clauses. See "Miscellaneous," Act of March 9, 1906.

ANTI-COMPACT—The Wharton anti-compact measure was repealed in 1902. See "Miscellaneous."

ANTI-DISCRIMINATION—Rebating in any form is prohibited.

ATTORNEY—The Commissioner of Insurance must be appointed attorney to accept service of legal process.

CANCELLATION OF POLICY—No provision for notice to insured.

CAPITAL REQUIRED—See "Deposit." No express provision as to amount of capital, but the latter must be stated under oath. Minimum capital stock of a domestic company, which must all be paid in, shall not be less than \$25,000, nor less than one-tenth of its maximum capital stock. Company doing more than one kind of business, as provided in Chapter VI, must have at least \$100,000 capital.

COMMISSIONS TO NON-RESIDENTS—No provision in law, but not allowed by Insurance Department.

DEPOSIT—Act of March 9, 1906, Sec. 14. "Unless otherwise provided in this chapter, every insurance company shall, by an agent employed to superintend or manage the business of such company in this State, or through some authorized officer, deliver under oath to the Treasurer of this State a statement of the amount of capital stock of said company, unless it be a mutual company, and deposit with him bonds of the United States, or of the State of Virginia, or of the cities or counties of this State, to an amount equal to five per centum on the said capital stock, or not less than ten thousand nor more than fifty thousand dollars, and the Treasurer shall thereupon give the agent a receipt for the same; provided, that the cash value of the securities so deposited need not be more than fifty thousand dollars, nor shall it be less than ten thousand dollars, and no single bond so deposited shall exceed in amount the sum of ten thousand

dollars; if a mutual company, it shall make a deposit of not less than ten thousand dollars nor more than fifty thousand dollars, the exact amount to be determined by the State Corporation Commission, as may seem equitable upon comparison with the deposit required by stock companies." Mutual companies paying losses wholly from assessments are exempt, but the law applies to all other fire insurance companies, domestic and foreign, and is also interpreted as applying to companies transacting marine insurance. A company having made a deposit permitting it to transact fire business need make no additional deposit for the transaction of marine insurance, and vice versa.

DOMESTIC COMPANIES—Must be incorporated by State Corporation Commission.

EXAMINATIONS—All insurance companies are subject to the inspection and supervision of the Commissioner of Insurance, who may examine a company whenever he deems it necessary. Before making an examination, the Commissioner shall first inquire of the Insurance Department of the company's home State; and if a favorable report is received, further examination may be dispensed with. If a company is found to be in unsatisfactory condition, its license may, after a hearing, be refused, revoked or suspended.

FEEES—A State license fee of \$200 is payable into the State Treasury for year of entry only, but the Auditor of Public Accounts shall not receive same until the Commissioner of Insurance has notified him he can receive it (see Taxes); licenses expire April 30; if license is taken out after May 1 the fee is pro rata for the first year to April 30. State Treasurer's fee for handling and safekeeping of deposits, one-twentieth of one per cent of their face value, payable in January. Annual registration fee: For maximum capital of \$15,000 or less, \$5; \$15,000 to \$50,000, \$10; \$50,000 to \$100,000, \$15; \$100,000 to \$300,000, \$20; over \$300,000, \$25; annual fee for underwriters' agencies, \$200. Fee on admission, mutual companies, \$50. Entrance fee payable into the Treasury of the State of Virginia once only, viz.: when company enters the State: Where the maximum capital stock is \$50,000 and under, \$30; over \$50,000 and not in excess of \$1,000,000, 60 cents for each \$1000 or fraction thereof; over \$1,000,000 and not in excess of \$10,000,000, \$1000; and advancing by \$10,000,000 stages, each increase in fee \$250, up to \$90,000,000 (\$3000); over \$90,000,000, \$5000. Foreign corporations without capital stock shall pay \$50. The amount to which a company is authorized by the terms of its charter to increase its capital stock is considered its maximum capital stock. \$5 to State Corporation Commission, payable once only, when company enters the State; to Secretary of Commonwealth, 20 cents per 100 words for recording charter and \$1 for recording power of attorney; for certificate of any document, \$1; for broker's license, \$100 (to Insurance Commissioner); for agent's license \$1 (to Insurance Commissioner); for receiving service of process, \$2.50 (to Insurance Commissioner). Expense of examination is payable by company examined, unless remitted by Commissioner.

FIRE DEPARTMENT TAX—The Supreme Court has declared a tax of 1 per cent on premium collections for the benefit of disabled firemen to be unconstitutional.

FIRE MARSHAL—The Commissioner of Insurance is required to investigate fires which may be brought to his attention by official report, or otherwise, provided that when an examination is made on the application of any fire insurance company, the necessary expenses attending the same shall be paid by such company. He may inspect any building or premises except dwellings, and require owner to remedy dangerous conditions.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

GENERAL PENALTY—Sec. 574. "Any person who engages in or exercises any business, employment or profession without a license, if a license be required by law, or in any manner violates the license or revenue laws of this State, if no specific fine is imposed for such violation, shall pay a fine of not less than \$30, nor more than \$1000 for each offense." Any company failing to pay taxes, fees or charges due, shall cease business in the State; and any agent or employee of a company in default, who shall transact business for such company while it is in default, shall be liable to a fine of \$50 to \$200, and to imprisonment for thirty to fifty days. Any violation of the Act of March 9, 1906, for which no penalty is prescribed, is punishable by a fine of \$20 to \$200.

IMPAIRMENT—Whenever a domestic company becomes impaired, the Commissioner may be authorized by the circuit court to administer its affairs. When a "foreign" company becomes insolvent, the Commissioner may be similarly authorized to take possession of its property in Virginia and distribute it among those entitled to it.

INVESTMENTS PRESCRIBED—No provision.

LICENSED BROKERS—Act of February 19, 1904 (as amended June, 1915), Sec. 83. "No person shall, without a license, act as insurance broker. Every person who shall solicit for compensation, directly or indirectly, to be derived therefrom any fire, marine, life or other insurance, either on account of any person desiring to effect any such insurance, or on account of any insurance company, except the duly authorized agent (or a clerk actually employed in his office) of any insurance company licensed to do business in this State, shall be deemed an insurance broker; provided, however, this shall not apply to duly authorized agents exchanging business among themselves." No licensed broker may place insurance with an unauthorized company. Sec. 84: "An insurance broker shall pay the sum of \$100 for the privilege of transacting such business." Penalty for acting as broker without license, \$50 to \$500 for each offense.

LIMIT ON A SINGLE RISK—Ten per cent of the capital and surplus; mutual companies, five per cent of cash assets. Any excess must be re-insured in an authorized company. Assessment mutual companies are exempt. Penalty for violation, revocation of license. Limit for company

doing more than one kind of business, as provided in Chapter VI, 20 per cent of capital and surplus.

LLOYDS—Act of March 9, 1906, Chap. 2, Sec. 1. "The words 'insurance company' or 'insurance companies' as used in this act shall be held to mean and include any association, society, company, corporation, joint stock company, individual, partnership, trustee, or receiver engaged in the business of assuming insurance risks upon persons or property in this State, except fraternal benefit orders, associations or societies, as defined and regulated in Chapter 5 of this act. * * *

MISCELLANEOUS—Act of March 9, 1906, Sec. 30. "That in all cases where policies of insurance have been issued or are hereafter issued by fire insurance companies doing business in this State containing a provision that in case of loss by fire or otherwise, less than the amount stated on the face of the policy upon which the premium is paid, or only a certain portion of the value of the property at the time of the loss, shall be paid under the provisions of said policy, and the amount ascertained to be due in accordance with the provisions of the policy after the loss occurs, shall be less than the amount upon which the premium was paid it shall be the duty of the company that issued said policies to refund to, and said company is hereby required to refund to the policyholder or holders the premium paid on the amount which constitutes the difference between the amount stated on the policy upon which the premium was paid and the amount paid thereunder, with interest thereon from the time of payment of such premium; but this section shall not apply to cases in which there is a partial loss by fire and the policy is continued in force as to the residue of the amount named in the policy." Any provision inserted in a policy for the purpose of providing against the enforcement of this section shall be void. No policy provision is binding upon the insured unless printed in type as large as, or larger than, brevier or eight point type, or written upon the policy with pen and ink or typewriter. No answer of insured in an application will bar recovery unless proved to have been wilfully false or fraudulently made, or that it was material. The arbitrators and umpire selected to appraise a loss must be citizens and actual residents of Virginia, unless otherwise agreed between the parties. Chap. 680, Acts 1899-1900, Sec. 1. "* * * That it shall be unlawful for any fire insurance company, association, or partnership authorized to do business in this State to enter into any compact or combination with other fire insurance companies, associations, or partnerships to make or require their agents or employees to enter into any compact, agreement, or pledge for the purpose of governing or controlling the commissions or compensation paid said agents." Penalty for violation, fine of \$250 to \$500, and revocation of license. No provision limiting the time in which suit may be brought under a policy, to less than one year after loss shall be valid. The Commissioner of Insurance is required to investigate complaints as to excessive rates for insurance. Company promotions are under the supervision of the Commissioner of Insurance.

Law of 1915. "*Be it enacted by the General Assembly of Virginia,* That every fire insurance company shall conduct its business in this State in the name by which it is incorporated, and the policies issued by it shall be headed or entitled by such name. There shall not appear on the face of the policy or on its filing back anything that would indicate that it is an obligation of any other than the company responsible for the payment of losses under the policy, and the name or names of any fire insurance companies issuing policies through an underwriters' agency shall be stamped or printed on each policy issued by such underwriters' agency, and shall show on each such policy the name of such company or companies, and, where there is more than one company, their proportion of liability under said policies shall be distinctly stated therein.

"The words 'underwriters' agency,' as used in this act, shall be held to apply to a company or companies who issue policies severally or jointly under a name other than their own corporate name, or under a contract or agreement with any individual, partnership, corporation or association through whom such policies may be issued.

"An underwriters' agency shall pay an annual specific license tax of two hundred dollars, and shall also deposit with the State Treasurer bonds equal in amount to those deposited by the company or companies whose policies they issue." The "Blue Sky Law" regulating the organization of new companies and the sale of their stock was passed during 1916.

MUTUAL COMPANIES—Domestic mutual companies may be incorporated under the act of May 21, 1903.

PRELIMINARY DOCUMENTS—Company must make required deposit. It must also file with State Corporation Commission two certified copies, and with the Commissioner of Insurance one certified copy, of charter; triplicate power of attorney, resolution of board of directors that service upon the Commissioner shall be valid service upon the company, and certificate of Auditor of Public Accounts showing payment of charter fee. Copies of charters, powers of attorney, and bond to pay taxes, need be filed but once.

PUBLICATION—None required. Any publication must be in accordance with company's last sworn report filed with the Bureau of Insurance.

RECIPROCAL LAW—Act of March 9, 1906, Sec. 48. "If, by the existing or future laws of any State an insurance corporation of this State having agencies in such other State, or the agents thereof, shall be required to make any deposit of securities in such other State for the protection of policyholders or otherwise, or to make payment for taxes, fines, penalties, certificates of authority, license fees or otherwise, greater than the amount required by this chapter from similar corporations of such other State by the then existing laws of this State, then and in every such case, all insurance corporations of such State established or heretofore having established an agency or agencies in this State, shall be, and they are hereby, required to make the like deposit for the like purposes with the Treasurer of this State, and to pay the Commissioner of Insurance for taxes, fines,

penalties, certificates of authority, license fees and otherwise, an amount equal to the amount of such charges and payments imposed by the laws of such other State upon the insurance corporations of this State and the agents thereof."

REINSURANCE—No restriction, except that, when the risk reinsured is in excess of ten per cent of the capital and surplus of the company, the excess must be reinsured in an authorized company.

REINSURANCE RESERVE—No provision.

RESIDENT AGENTS—Act of March 9, 1906, Sec. 34. "That fire * * * insurance companies not incorporated by the laws of the State of Virginia, but legally authorized to do business in this State, shall not make contracts of insurance on * * * property herein save through regularly constituted agents of such companies residing in the State of Virginia; provided, however, that this act shall not apply to railroad companies and other common carriers engaged in interstate commerce; and the writing, placing, or causing to be written or placed, any policy of fire * * * insurance in contravention of this section is hereby declared to be a violation of the laws of this State providing for the payment of taxes by foreign and alien insurance companies permitted to do business in Virginia." Affidavit of compliance must be filed annually. Penalty for violation, \$100 to \$500 for each offense, and revocation of license for ninety days, and until all taxes and penalties have been paid.

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—None prescribed. See "Miscellaneous." Policy of a mutual company must have attached a printed copy of its by-laws and regulations. Clauses, etc., must be printed in type as large as brevier or eight point or "written in pen and ink or typewriter."

TAXES—Sec. 23. "Every such person, partnership, company or corporation which contracts on his, their or its account to issue policies or contracts for or agreements for fire, marine, tornado, automatic sprinkler, and all like insurance shall pay into the State Treasury, as hereinabove provided, a license tax of two and three-fourths per centum upon the gross amount of all premiums, assessments, dues and fees collected, received or derived, or obligations taken therefor, from business in this State during each year ending the thirty-first day of December, without any deduction for dividends paid, or deduction on any other account, except for premiums returned upon cancelled policies, and premiums paid for reinsurance upon business in this State in companies duly authorized to do business in this State. Provided, That any such insurance companies chartered by and doing business solely in this State which are purely mutual and have no capital stock, and are not designed to accumulate profits for the benefit of, or pay dividends to, the members thereof, or any insurance company chartered by and doing business solely in this State, with a capital stock not exceeding twenty-five thousand dollars and which pays losses from assessments against its policyholders or members, shall pay a license tax

of one per centum upon the gross amount of all premiums with above deductions allowed. This shall not apply to mutual fire insurance companies chartered in this State and doing a local business in this State, as defined by an act approved March 7, 1904. *And, provided further,* That nothing herein shall be construed to apply to Sec. 28 of Chap. 1, and Sec. 14 of Chap. 2, of an act concerning the Bureau of Insurance, approved March 9, 1906, providing that the expenses of maintaining the Bureau of Insurance shall be paid by the insurance companies doing business in this State, and providing that the expenses of keeping the bonds deposited with the Treasurer of the State shall be paid by the insurance company depositing same. * * *." Tax shall be paid to State Treasurer.

Sec. 26. "The real estate and tangible personal property, situated or located in this State, of every person, partnership, company or corporation, whether organized by the laws of another State or country, or organized under the laws of this State, and doing an insurance business in this State, shall be listed and assessed on the land and property books of the Commissioners of the Revenue in the same manner as other real estate and tangible personal property is assessed, and shall be taxed at the same rate as other like property is taxed in this State.

Sec. 26a. "The license tax on gross premiums, as provided in Sec. 23, and the tax on real estate and tangible personal property herein provided to be paid by every person, partnership, company or corporation doing such an insurance business in this State, shall be in lieu of all other license fees, taxes and levies whatsoever for State, county, municipal or local purposes, which shall be construed to include their agents, except that the certificate fee of one dollar required to be paid by all such agents to the Bureau of Insurance shall be paid by them as heretofore."

Sec. 28. "The expenses of maintaining the said Bureau of Insurance shall be assessed annually against the companies, foreign, alien and domestic, of the classes mentioned in this chapter, doing business in this State, except fraternal benefit orders, associations or societies, as defined and regulated in Chap. 5 of this act, in proportion to their respective gross premiums, assessments or dues, on business done in this State, not exceeding one-tenth of 1 per centum on the gross amount of the premiums, assessments, or dues of each of such companies, to be apportioned and assessed against such companies and by them to be paid as prescribed in the next succeeding section of this chapter."

TAX STATEMENTS—Must be filed by March 1, showing business of the preceding calendar year. Penalty for failing to report, \$50 per day; for failure to pay tax, revocation of license and addition of 10 per cent to amount of tax. See "Taxes." The act of March 9, 1906 (as amended March 15, 1908) assessing the expenses of the Bureau of Insurance upon the insurance companies, provides that such companies shall annually

report, on or before May 1 upon forms to be furnished by the Commissioner of Insurance, the amount of their gross premiums during the preceding calendar year.

VALUED POLICY—No statutory requirement.

COUNTY TAXES

Now prohibited by law.

MUNICIPAL TAXES AND FEES.

Prohibited by Sec. 26a, Insurance Law. (See under "Taxes.")

WASHINGTON.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—An adjuster must secure an annual license expiring March 31, to adjust losses for authorized companies and unauthorized companies, on policies written through their duly licensed agents. "He shall also secure a license for each separate company for each loss adjusted by him for non-admitted or unauthorized companies on policies which have not been written by or through a regularly licensed agent for such companies in this State. Agents for licensed companies may adjust their own losses without procuring an adjuster's license.

AGENTS DEFINED—Insurance Laws, March 10, 1911, Sec. 2. "* * * is a person, co-partnership, corporation, attorney, board or committee duly appointed and authorized by an insurance company to solicit applications for insurance, to be known as a soliciting agent, or to solicit applications and effect insurance in the name of the company, to be known as a recording or policy-writing agent, and to discharge such other duties as may be vested in or required of the agent by the company."

AGENTS' LICENSES—Agents must make application for license on blanks furnished by the Insurance Commissioner, which application must be approved by a company to be represented. Licenses expire annually March 31. A license issued to a firm or agency corporation permits each member of the firm or officer of the corporation to solicit or effect insurance, but the names of such members or officers shall be specified and appear in the license. See "Reciprocal Law."

ANNUAL STATEMENTS—Must be filed on or before February 15, showing condition as of December 31 preceding. Penalty for non-compliance \$25 for each day of delinquency. Alien companies must file capital statements in February. No other statement is required annually.

ANTI-COINSURANCE—No provision.

ANTI-COMPACT INSURANCE CODE, Sec. 32 (as amended in 1915).

"It shall be unlawful for any insurance company authorized to transact business in this State, or any manager, or any agent or representative thereof, or solicitor or broker to, either within or outside of this State, directly or indirectly, enter into any contract, understanding, or combination, with any other insurance company, or any manager, or any agent or representative thereof, or solicitor or broker, or to jointly or severally do any act or engage in any practice or practices for the purpose of controlling the rates to be charged for insuring any risk, or class or classes of risks, in this State, or for the purpose of discriminating against or differentiating from any company, manager, agent, solicitor or broker by reason of its or his plan or method of transacting business or its or his affiliation or non-affiliation with any board or association of insurance companies, managers,

agents, representatives, solicitors or brokers, or for any purpose detrimental to free competition in the business or injurious to the insuring public. Whenever the Commissioner shall have knowledge of any violation of this section, he shall forthwith order such offending company, manager, agent, representative, solicitor or broker to immediately discontinue such practice or show cause to the satisfaction of the Commissioner why such order should not be complied with. Within thirty days from the receipt of such order, and upon failure to comply with such order, the Commissioner shall forthwith revoke the license of such offending company, agent, solicitor or broker, and no renewal of the license so revoked shall be granted within three years from the date of revocation." See "Rating Schedules to be Filed."

ANTI-REBATE—Insurance Code, Sec. 33. "No insurance company, by itself or any other party, and no licensed insurance agent, solicitor, or broker, personally or by any other party, shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or on any policy, or agent's commission thereon, or earnings, profit, dividends, or other benefit founded, arising, accruing or to accrue thereon, or therefrom, or any other valuable consideration or inducement to or for insurance, on any risk in this State now or hereafter to be written, which is not specified in the policy contract of insurance; nor shall any such company, agent, solicitor, or broker, personally or otherwise, offer, promise, give, sell, or purchase any stocks, bonds, securities, or property, or any dividends or profits accruing or to accrue thereon, or other thing of value whatsoever as inducement to insurance or in connection therewith which is not specified in the policy. The license of any insurance company, agent, solicitor, or broker who violates the provisions of this section shall be revoked and no license shall be issued to such company, agent, solicitor, or broker within one year from the date of the revocation of the license. No insured person or party shall receive or accept, directly or indirectly, any rebate of premium or part thereof, or agent's, solicitor's, or broker's commission thereon payable on the policy, or on any policy of insurance, or any favor or advantage or share in the dividend or other benefit to accrue thereon, or any valuable consideration or inducement, not specified in the policy contract of insurance; the amount of the insurance whereon the insured has received or accepted, either directly or indirectly, any rebate of the premium or agent's, solicitor's, or broker's commission thereon, shall be reduced in such proportion as the amount or value of such rebate, commission, dividend, or other consideration so received by the insured, bears to the total premium on such policy, and any such insured shall be liable, in addition to having the insurance reduced, to a fine of not more than two hundred dollars. No person shall be excused from testifying, or from producing any books, papers, contracts, agreements, or documents at the trial of any person charged with violating any provision of this act, on the

ground that such testimony or evidence may tend to incriminate himself, but no person shall be prosecuted for any act concerning which he shall be compelled so to testify or produce evidence, documentary or otherwise, except for perjury committed in so testifying. * * *

ATTORNEY—The Insurance Commissioner must be appointed to accept service of legal process.

CANCELLATION OF POLICY—Policies may be canceled upon five days' notice. Members of mutual companies may withdraw on five days' notice, but cannot escape statutory liability for losses prior to cancellation.

CAPITAL REQUIRED—Stock company must have capital of at least \$200,000 to transact fire and inland marine insurance, with \$100,000 additional if ocean marine or automobile (all kinds) insurance is written, and \$50,000 additional if plate glass, sprinkler and motor vehicle (excepting against the hazard or injury to persons) insurance is written. To write all of foregoing classes companies must have \$350,000. \$450,000 if full coverage of automobiles is desired in conjunction with all the other classes enumerated. Domestic companies are also required to have a surplus of at least \$50,000.

COMMISSIONS TO NON-RESIDENTS—Commissions must be paid to residents of the State who are licensed as agents.

DEPOSIT—A Law of 1915, Sec. 24, provides that like deposits shall be required of such companies whose home State requires deposits from Washington companies.

DOMESTIC COMPANIES—Insurance Code, Sec. 84. “* * * No stock insurance company shall make insurance in this State under class 1 of section 83 of this act, without having capital stock of at least \$200,000, of which not less than one-half must be paid in in cash or like securities authorized by this act, and the remainder, in cash or like securities, paid within one year after the company is incorporated, and a surplus of not less than \$50,000. * * *” Not less than the respective numbers named of citizens of the United States, two-thirds of whom must be residents in Washington, may incorporate domestic companies, as follows: Stock, five; mutual, ten; Lloyds, twenty; inter-insurers, twenty-five. Duly acknowledged articles of incorporation must be filed with the Secretary of State, the Insurance Commissioner and the Auditor of the county in which principal office is located. Number of trustees or directors, five to eleven. Name must not closely resemble that of another company. Expense of incorporation and organization, including placing of stock, must not exceed 7½ per cent of par value of stock sold. Stockholders are liable for debts, beyond par value, up to 100 per cent of par value. By an amendment of 1913 companies organized before passage of the 1911 code are given four years from 1912 to meet requirements.

EXAMINATIONS—Each domestic company must be examined at least once each year and whenever the Commissioner deems it prudent. Outside companies may be examined whenever the Commissioner deems it advisable. Penalty for refusing to permit examination, revocation of license. Penalty

for failure to obey subpoena or refusal to be examined as a witness and give evidence, same as though subpoena had been issued by a court having jurisdiction in equity and common law. See "Impairment."

FEES—For filing articles of incorporation or certified copies of articles, etc., \$25; for filing amended articles of incorporation, etc., \$10; for issuing certificate of authority or renewal, \$10; for filing annual statement of condition and business in the State, \$20; for filing any other papers, \$1; for furnishing copies of papers on file, 20 cents per folio; affixing seal, \$1; for each agent's or solicitor's license (one to firm), \$2; for adjuster's license, \$10; for each broker's license, \$100; for each agent's license to deal with unauthorized companies, \$100; for examinations, witness fees and mileage; for filing power of attorney, \$1; for service of process on Commissioner, \$2; non-resident special agents, \$5. Fees and taxes for mutual companies are same as for stock companies. Domestic and foreign companies are on the same basis. Fees payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—No appropriation for the investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

GENERAL PENALTY—Sec. 102. "Any company or person who knowingly violates any provision of this act for which no penalty is provided, shall be deemed guilty of a misdemeanor and shall be punished as provided by law."

IMPAIRMENT—If upon examination the Commissioner finds a company to be in unsound condition, he shall revoke or suspend all certificates of authority and licenses granted to such insurance company, its officers or agents. If the capital of a domestic company is impaired it shall be notified to make good the impairment with cash or investments or by reducing its stock not below statutory requirements within ninety days, and if impairment is not so made good, the company shall be deemed insolvent. Trustees, directors and officers of a company are liable for losses accruing upon new risks taken after the expiration of such time and before the deficiency is made good. Provision is made for the Insurance Commissioner to liquidate delinquent companies.

INVESTMENTS PRESCRIBED—The minimum capital of a domestic company shall be invested in legally issued bonds, warrants and securities of the United States or the District of Columbia or any State of the United States, or any county, incorporated city or incorporated school district in Washington, or in bonds and mortgages on improved real estate in Washington not exceeding fifty per cent of market value of the property. The same class of investments are required of foreign or alien companies substituting their own home State for the State of Washington, and the residue of the capital and surplus and funds of a domestic company over the minimum capital and the deposit required may be invested in similar securities or in municipal bonds or irrigation district bonds, or on

mortgages on improved real estate in the United States or any securities of any solvent corporation incorporated under the laws of the United States or of any State thereof under certain restrictions. A domestic company must not invest in or loan upon its own stock or the stock of any other insurance company or of any oil or mining company or of any fish, fruit or vegetable canning company, nor in the stock of any corporation whose stockholders may be liable in excess of the par value of the stock. The capital of a company of another State or a foreign country to the extent of the minimum capital required of a like domestic company shall be invested in the same class of securities specified for domestic companies, except that the securities of the home State or country of such company may be recognized as legal investments for amount of the minimum capital required. A domestic company may own its home-office building under certain conditions. No single loan nor investment shall be in excess of ten per cent of paid-up capital and surplus. Securities must be interest or dividend paying.

LICENSED BROKERS—Insurance Code, Sec. 100. "Any person or party who solicits fire, marine, casualty, liability, or surety business to be placed in an insurance company other than represented by him shall be deemed and considered as transacting a brokerage business and shall be required to procure a broker's license; provided, that nothing in this act shall be considered as prohibiting duly licensed, bona fide recording agents from exchanging with each other any of the lines of business enumerated in this section for which such agent is licensed and paying or dividing commissions on business so exchanged." Broker so licensed shall deal only with admitted companies. Provision is made in section 75 for the licensing of brokers or agents to deal with unauthorized companies upon filing a bond for \$500 to \$2000 to comply with the law. Such broker or agent must file a statement on or before February 15 yearly, showing business transacted in the preceding year, and shall pay to the State Treasurer, through the Commissioner's office, by March 1 the same tax that is required of admitted companies. Affidavits are required of the licensed agent and the parties for whom he procures insurance. Penalty for failing to file statement and to pay taxes, \$25 for each day of delinquency and for any violation of the law the license shall be revoked and no license shall be issued to such agent for at least one year, nor until all taxes and fines are paid.

LIMIT ON A SINGLE RISK—Ten per cent of paid-up capital in the United States, on a single risk, or a single block in the congested district of any city or town. Limit for other State mutual company, ten per cent of surplus assets, unless protected by simultaneous reinsurance. The capital of an alien company is interpreted as being the aggregate value of such sums or securities as the company may have on deposit with the Department of Washington and of other States of the United States for the benefit of policyholders in the United States, excepting such sums as are held by

other States for the special protection of policyholders in such States, and of all mortgage loans legally made, and of all other assets and property legally invested if such mortgage, assets and property shall be held in the United States by trustees or citizens of the United States or deposited with a trust company for the benefit of all policyholders in the United States; after making deductions for liabilities, including unearned premiums as required in Washington.

LLOYDS—Provision is made for the formation of Lloyds associations to consist of not less than twenty citizens of the United States, two-thirds of them residents of Washington, each of whom must be worth not less than \$20,000. Such association to transact fire and inland marine insurance, must have at least \$150,000 of unimpaired assets, of which not less than \$75,000 must be in cash and securities such as domestic companies may invest their funds in. Such association must deposit not less than two-thirds of its assets with the State Treasurer. Policies of a Lloyds must have the name and address of each underwriter printed on the back.

MISCELLANEOUS—Joint policies may be issued by two or more companies, but the names of the companies must appear thereon, and such companies shall be jointly and severally liable thereon. No policy shall be issued requiring such contract to be construed according to the laws of any State or country or depriving the courts of Washington of the jurisdiction of action against such company to a period of less than one year from the time when the cause of the action accrues. Misrepresentation does not avoid a policy unless made with intent to deceive. Overinsurance and policies for longer than five years are prohibited. No policy fee not specified in the policy shall be collected. Before paying insurance on a fire loss, company or agent must ascertain whether or not taxes have been paid on the insured property, under the revenue law.

Companies may be sued in any county in which the action arises by serving process upon the company if a domestic one, and upon the Insurance Commissioner if an alien or foreign company.

MUTUAL COMPANIES—See "Domestic Companies." The articles of incorporation must state the minimum and maximum liability of members (two to six times the premium usually charged by solvent stock companies for similar risks, or, if not known, premiums according to "Dean" or "Universal Mercantile" schedules), and other customary details. If on cash premium plan, must have applications, for not exceeding \$2000 each, aggregating \$500,000, with at least \$8000 in premiums and \$6000 surplus, except reinsurance reserve. Provision is also made for assessment and class mutual companies. Sec. 88. "No alien or foreign mutual insurance company shall be licensed to make insurance in this State until it shall have accumulated from its underwriting business and earnings surplus assets of not less than \$100,000, and shall have a reinsurance reserve computed on a pro rata basis."

PRELIMINARY DOCUMENTS—Company must file copy of charter, or

articles of incorporation, and by-laws, with amendments and duly certified statement. If not incorporated, a certificate stating nature of business, location of principal office, names of members and officers of association, and amount of capital stock therein employed. Certificate of compliance with laws of company's home State is expected to accompany annual statement. Certificate of deposit must be filed by foreign company.

PUBLICATION—None required.

RATING SCHEDULES TO BE FILED—Insurance Code, Sec. 73 (as amended in 1915). "Every insurance company, excepting a marine insurance company, before it shall receive a license to transact the business of making insurance as an insurer in this State, must file in the office of the Insurance Commissioner its rating schedules. Every such company and its agents shall observe its rating schedules and shall not deviate therefrom when making insurance until amended or correcting rating schedules shall have been filed in the office of the Insurance Commissioner. Any company which shall make fire insurance in this State according to advisory rates, or a stated deviation or deviations therefrom, furnished by a rating bureau as provided in the following section, may receive a license to transact the business of making fire insurance in this State, without filing rating schedules, by filing written notice in the office of the Insurance Commissioner of its adoption of such advisory rates, stating the deviation or deviations therefrom, if any, at which it will make insurance, which deviation or deviations, if any, shall be uniformly applied to all purchasers of insurance from any such company, in this State, in the class or classes to which such deviation or deviations shall apply." Sec. 74. "Any person or persons or partnership, resident within this State, or a domestic corporation, may organize or maintain a rating bureau, for the purpose of inspecting and surveying the various municipalities and fire hazards in this State, and the means and facilities for preventing, confining, and extinguishing fires, for the purpose of estimating fair and equitable rates for insurance, and to furnish to municipalities, owners of property, insurance companies, agents, solicitors, or brokers, information and advice as to measures to be adopted for the reduction of fire hazards on property within this State, and lessening the cost of insurance thereon. The business of conducting a rating bureau in this State is public service in character and shall be conducted without profit to any party, except that fair and reasonable compensation shall be paid for all services actually rendered, and necessary to the business. Every rating bureau shall, before publishing or furnishing any rates, file in the office of the Insurance Commissioner its rating schedules, and shall not deviate therefrom until amended or corrected rating schedules shall have been filed in the office of the Insurance Commissioner. The services of such rating bureau shall be available, equally and ratably in proportion to the service rendered, to any and all insurance companies, agents, brokers, and property owners. Each rating bureau shall keep an accurate and complete record of all work

performed by it, which record must show all receipts and disbursements, and be open at all times to the inspection and examination of the Commissioner, his deputy, or examiner. No rating bureau operating under the provisions of this act shall, directly or indirectly, examine, stamp, or pass upon any "daily report" of policies issued by any company on property located within this State. Any person or party who knowingly violates any provision of this or the preceding section shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars."

RECIPROCAL LAW—Sec. 47. "If, by the laws of any other State, any taxes, fines, penalties, licenses, fees, deposits, or other obligations or prohibitions, in the aggregate, additional to or in excess of those imposed by the laws of this State, upon foreign insurance companies and their agents and solicitors, are imposed on insurance companies of this State and their agents doing business in such State, like obligations and prohibitions shall be imposed upon all insurance companies of such State and their agents doing business in this State, so long as such laws remain in force."

REINSURANCE—No prohibition of reinsurance in unauthorized companies, except those of foreign countries not admitted to nor having a deposit in the United States; and this prohibition does not extend to marine risks. Reinsurances must be reported annually.

REINSURANCE RESERVE—Pro rata of the amount received for premiums on all unexpired risks.

RESIDENT AGENTS—Sec. 36. "It shall be unlawful for any insurance company admitted to do business in this State to write, place or cause to be written or placed, any policy of insurance covering risks located in this State, except through or by a duly authorized licensed agent of such company residing and doing business in this State; provided, that where the insured calls at the principal office of the company and requests a policy, the risk may be covered and the policy procured through the duly authorized agent in the territory wherein risk is located. * * *" A licensed agent cannot solicit business for a company for which he is not licensed. A licensed agent of a given company may accept business through a general agent of the same company residing in another State, and may accept or pay commission on same; and he may pay commissions to a licensed broker in Washington, but he cannot place business with a broker and receive a commission therefor. A licensed agent cannot pay commissions to anyone except a licensed broker, or to a licensed agent exchanging same class of business. Solicitors can only place business through the agency for which they are licensed, and can only receive salary or commissions from such agency. Agreement not to write Washington risks except through resident agents (except reinsurance from authorized companies) must be filed with Insurance Commissioners. Washington risks embraced in a blanket policy must be written through resident agents. Non-resident special agents may be licensed, but they must not accept commissions or write policies though they may assist local agents in procuring same.

SEMI-ANNUAL STATEMENTS—None required.

STANDARD POLICY—New York Standard form is prescribed. This includes "riders" adopted by New York. Certain conditions are outlined which a company may follow, and stamp across its policy, "Washington Standard Policy."

TAXES—A tax of two and one-quarter per cent on all premiums collected or contracted for, less return premiums and reinsurance premiums paid to admitted companies, is payable to the State Treasurer through the Insurance Commissioner's office. If fifty per cent or more of a company's assets is invested in bonds or warrants of the State of Washington or of any county, city or district in that State, or in taxable property, or first mortgages upon improved real estate in that State, the tax on premiums shall be but one per cent. Taxes are due March 1.

TAX STATEMENTS—Included in annual statements.

VALUED POLICY—Insurance Code, Sec. 105½. "Whenever any policy of insurance shall be hereafter written or renewed insuring real property or any building or structure erected thereon or connected therewith, and the property insured shall be wholly destroyed, without criminal fault on the part of the insured, or his assigns, the amount of insurance written in such policy shall be taken conclusively to be the true value of the property when insured, and the true amount of the loss and measure of damages when destroyed. In case there is a partial destruction of the property insured, no greater amount shall be collected than the injury sustained; provided, that the insurer shall have the option to repair, rebuild or replace the property lost or damaged with other of like kind and quality if he gives notice of his intention so to do within twenty days after the receipt of notice of loss; provided, such insurer shall, within thirty days from receipt of notice above, commence such rebuilding or replacing and shall diligently prosecute the same to completion, and shall pay to the insured the reasonable rental value of the premises with the buildings thereon from the date of loss to the date of such completion."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

POMEROY—For each insurance solicitor, \$5 per annum.

WEST VIRGINIA.

STATE REQUIREMENTS.

AGENTS DEFINED—No statutory definition.

AGENTS' LICENSES—Chap. 34, Sec. 56. “* * * No person shall act as agent of any insurance company, corporation, association, partnership or combination of persons incorporated, organized, associated, or combined under or by virtue of the laws of this or any other State of the United States or any foreign country, directly or indirectly taking risks or transacting any kind or form of insurance business in this State, without procuring from the Insurance Commissioner a certificate of authority, stating that such company, corporation, association, partnership, or combination of persons, has complied with all the laws of this State relative to such companies, corporations, associations, partnerships, or combinations of persons, which certificate shall continue in force until the first of March next after its issue unless revoked for cause.” As amended in 1913 the application for agents' licenses must be accompanied by properly executed answers to questions tending to establish fitness, competency and trustworthiness of the agents. Licenses may be revoked when agent does not measure up to a proper standard of competency and trustworthiness. An amendment of 1913 requires a license for solicitors defined to be the representative of the employing local agent who is responsible as principal for the acts of his solicitors. Penalty for violation, fine not exceeding \$500. Agent acting for an unlicensed company becomes personally liable for all contracts made by or through him on behalf of such company. Applications for licenses should be made by company officials under seal. License required for each member of an agency firm.

ANNUAL STATEMENTS—Must be filed in January, showing condition as of December 31 preceding. Certificate of compliance issued by insurance officials of company home State must accompany annual statement. These and tax statements are only ones required annually, except that domestic companies file reports with Tax Commissioner.

ANTI-COINSURANCE—No prohibition of use of coinsurance clauses.

ANTI-COMPACT—No law forbidding co-operation.

ANTI-DISCRIMINATION—Sec. 15 (Revised Laws of 1913) provides (1) that the entire contract shall be expressed in the policy, and (2) that neither the insurer nor its representative shall offer or give any valuable consideration to the insured which is not specified in the policy contract of insurance, nor shall the insured accept any such valuable consideration.

ATTORNEY—The Auditor of State must be empowered to accept service of legal process.

CANCELLATION OF POLICY—At least five days' notice to insured is required.

CAPITAL REQUIRED—Company must possess at least \$100,000 of actual capital, invested in approved securities. A mutual company having \$100,000 of available cash assets may be licensed.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents. Non-residents are not allowed to act as agents for fire companies.

DEPOSIT—None required. Foreign company must have \$200,000 on deposit in some State in assets, in which domestic companies are permitted to invest. See "Investments Prescribed."

DOMESTIC COMPANIES—Chap. 77, Laws of 1907. Five or more persons may form a company by signing and acknowledging agreement, and paying in ten per cent of capital. Agreement and certificate of payment of ten per cent of capital must be filed with the Secretary of State. Company must be examined and licensed by the Insurance Commissioner, and no company will be licensed until at least \$100,000 has been paid in. Sec. 74. No charter to be issued until approved by the Insurance Commissioner.

EXAMINATIONS—Code, Chap. 34, Sec. 3. "The Insurance Commissioner may from time to time examine the methods of business of any company, corporation, association, partnership, or combination of persons doing any kind or form of insurance business in this State and may require them to answer such questions as he may think necessary for the purpose of such inquiry; and if in his opinion any such company, corporation, association, partnership or combination of persons is doing business in an illegal, improper or unjust manner, or failing to adjust and pay losses and obligations when they become due, excepting claims to which there is a substantial defense, he may order it to discontinue such illegal or improper method of doing business and may order it to adjust and pay its losses and obligations as they become due." Sec. 15 (i), Laws of 1907) provides that a company withdrawn from the State remains subject to all requirements of the Department as long as any West Virginia business remains on its books.

FEES—For receiving and filing annual statements, \$10; for certificate of authority (one for each member of firm), \$5; for examinations, expenses incurred; for Auditor's services as attorney, \$10 per annum (payable July 1); for license to company, \$10; for certificate of condition or copy of report, \$5; for filing any additional paper required by law, 25 cents. Fees payable to Insurance Commissioner.

FIRE DEPARTMENT TAX—No provision.

FIRE MARSHAL—The State Fire Marshal has charge of the investigation of all fires causing damage exceeding \$50, and all fires of unknown origin. See "Taxes."

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Chap. 34, Sec. 42, relating to companies of foreign countries, provides that "every such insurance company shall, before admission to do business in this State, furnish to the Insurance Commissioner a copy * * * of its annual report made in the country where it was organized, * * *

and it shall furnish annually * * * a statement of its affairs in the United States * * *."

GENERAL PENALTY—For offenses for which no specific penalty is provided, a fine not exceeding \$500.

IMPAIRMENT—No specific limit permitted. Domestic stock company must make good any impairment ascertained to exist. Sec. 39. (Mutual company.) "If the assets, less the unsettled claims and other absolute liabilities amount to less than the sum requisite for reinsurance, he (the Insurance Commissioner) shall call upon it to make up such deficiency within such reasonable time as he shall fix." On failure of company to comply with such requirement, he shall apply for an injunction to restrain it from doing further business, and shall revoke its license.

INVESTMENTS PRESCRIBED—The capital of a domestic company or the deposit required of a foreign company may be invested in stocks or bonds of some one or more of the States of the United States, or in the bonds of the United States, or in bonds secured by mortgage or deed of trust on real estate, worth double the amount loaned thereon, free from any prior incumbrance, and having undoubted title.

LICENSED BROKERS—No provision. See "Agents' Licenses."

LIMIT ON A SINGLE RISK—Chap. 34, Sec. 46. "No such insurance company shall insure against loss by fire or inland navigation nor expose itself to any such loss by any one risk, for any greater amount in proportion to its capital than companies which are organized under the laws of this State."

LLOYDS—Chap. 34, Sec. 76. "Whenever the word company is used in this act it shall be held to include corporations, associations, partnerships or individuals."

MISCELLANEOUS—Sale of stock and incorporation of company is properly supervised by an act effective February 8, 1915.

MUTUAL COMPANIES—Provision is made for organization of farmers and other mutual companies. Policy must specify amount of insured's liability. Mutual companies must report to the Auditor.

PRELIMINARY DOCUMENTS—Company must file with the Insurance Commissioner a copy of its charter or articles of association, and a statement showing its financial condition and obtain a certificate of authority to do business in the State.

PUBLICATION—Not required.

RATING SCHEDULES TO BE FILED—Chap. 20, Acts of 1913, places all bodies suggesting, approving or making rates for more than one underwriter under the supervision of the Insurance Commissioner, and requires the filing of rating schedules, etc., with him.

RECIPROCAL LAW—No provision, except that mutual companies of West Virginia must be permitted to do business in any State in which a mutual company seeking admission to West Virginia is located.

REINSURANCE—Chap. 16, Acts 1901, Sec. 2. "Every life or other insurance company which shall, in any manner whatsoever, accept the whole or

any part of a risk on property located in this State, and shall transfer in any manner whatsoever to any company not authorized to transact business in this State, any risk or liability assumed by said first named company, or any part thereof, shall be liable to the penalty provided for under Sec. 7 of this act." Penalty for violation, \$100 to \$500; penalty for non-payment of fine within thirty days, revocation of license for one year, and until judgment is paid. Reinsurance policies need not be signed by resident agents. All reinsurance must be reported annually. Deduction of reinsurance premiums received in the statement of premiums for taxation is permitted when taxes are paid by the reinsuring company.

REINSURANCE RESERVE—Fifty per cent of premiums on fire risks not perpetual, and ninety-five per cent on perpetual risks; 100 per cent of ocean marine premiums, and forty per cent of time hull premiums.

RESIDENT AGENTS—Chap. 16, Acts 1901, Sec. 1. "That no fire or other insurance company or association not incorporated under the laws of this State, authorized to transact business herein, shall make, write, place, or cause to be made, written or placed, any policy, duplicate policy, or contract of insurance of any kind or character, or a general or floating policy upon property situated or located in this State, or upon life, except after the said risk has been approved in writing by an agent who is a resident in this State, regularly commissioned and licensed to transact insurance business herein, who shall countersign all policies so issued, and receive the commission thereon when the premium is paid, to the end that the State may receive the taxes required by law to be paid on the premiums collected for insurance on all property located in this State, and that no person shall pay or forward any premiums, applications for insurance, or in any manner secure, help or aid in the placing of any fire or other insurance, or effect any contract of insurance upon real or personal property, or upon life within this State, directly or indirectly, with any insurance company or association not of this State, or which has not been authorized to do business in this State." Sec. 6, excepts railroad property and property in transit. Penalty for violation, \$100 to \$500, and non-payment of judgment for thirty days is punishable by revocation of license for one year and until such judgment has been paid.

SEMI-ANNUAL STATEMENTS—None required, except tax statements in Wheeling.

STANDARD POLICY—New York form is prescribed to be used, "with such changes and additions as the Insurance Commissioner may deem proper."

TAXES—A tax of two per cent is levied upon the gross premiums collected in the State, less premiums returnable for cancellation, by all foreign insurance companies, payable March 1. A bond may be required to secure the payment of the tax. Property of companies is taxed as is other property. Taxes payable to Insurance Commissioner. The law creating the office of fire marshal provides for a tax of one-half of one per cent on net fire premiums received in West Virginia during the preceding year, payable

into the State Treasury on or before March 1, annually, for the maintenance of the office. Income tax of one-half per cent is levied by Act of May 21, 1915, on net income in the State, being the proportion of the entire net income of a company indicated by the proportion of the company's gross income, which is derived from business transacted in the State. Fire insurance companies have refrained from paying this tax, on the ground that it is unconstitutional. A representative of certain fire insurance companies notified the State Tax Commissioner that his companies would not file returns under the Income Tax law, on the ground that the law was considered to be unconstitutional. The State Tax Commissioner in August, 1916, stated that: "Where companies failed to make return the tax is arrived at from the best information this office is able to obtain." It was not then known whether or not the companies would refuse to pay the tax. See "Reinsurance."

TAX STATEMENTS—State, must be filed by January 31. Income tax report must be filed with State Tax Commissioner annually in the third month preceding the beginning of the license tax year. The form of report is substantially the same as for the United States Income Tax. City of Wheeling, must be filed by January 15 and July 15, for the periods or six months next preceding those months, respectively.

VALUED POLICY—Chap. 33, Acts of 1899. "All fire insurance companies doing business in this State shall be liable, in case of total loss by fire or otherwise, as stated in the policy on any real estate insured, for the whole amount of insurance stated in the policy of insurance upon said real estate; and in case of partial loss by fire or otherwise, as aforesaid, of the real estate insured, the basis upon which said loss shall be computed, shall be the amount stated in the policy of insurance effected upon said real estate, and the insured shall have the right to enforce his claim for said loss in any court having jurisdiction." This law was understood to have been repealed in 1907, but in April, 1912, the Auditor of State wrote, that "on April 17, 1912, this law was upheld as being in force by the Supreme Court of Appeals of West Virginia."

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

BLUEFIELD—For each company, \$10.50; for each agent, \$15.50; payable July 1.

CHARLESTON—For each agent, \$10.50, payable July 1.

CHARLESTOWN—For each company, \$12.50, payable July 1.

HUNTINGTON—For each company, \$5.50, payable July 1.

KEYSER—For each company, \$10.50, payable July 1.

MARTINSBURG—For each company, \$20, payable January 1.

PARKERSBURG—For each company, \$5.50, payable July 1.

WESTON—For each company, \$5, payable July 1.

WHEELING—On gross premiums, one per cent, payable July 15 and January 15. See "Tax Statements."

WISCONSIN.

STATE REQUIREMENTS.

ADJUSTERS' LICENSES—Adjusters are required to procure a license.

AGENTS DEFINED—Sec. 1977, Statutes of 1898 (as amended in 1905).

"Every person or member of a firm or corporation who solicits insurance on behalf of any insurance corporation or person desiring insurance of any kind, or transmits an application for a policy of insurance, other than for himself, to or from any such corporation, or who makes any contract for insurance, or collects any premium for insurance, or in any manner aids or assists in doing either, or in transacting any business of like nature for any insurance corporation, or advertises to do any such thing, shall be held to be an agent of such corporation to all intents and purposes, unless it can be shown that he receives no compensation for such services. This section shall not apply to agents of licensed fraternal beneficiary societies, or mutual fire insurance companies of this State, except those organized under Secs. 1896, 1897 and 1898." Chap. 316, Laws of 1913, provides for the licensing of adjusters and includes everyone who acts as advisor to insured or insurer for compensation, except persons acting as attorneys in the ordinary relation of attorney and client.

AGENTS' LICENSES—Agents of companies required to pay any tax or license fee to the State must procure from the insurance corporation licenses which expire January 31 in each year. Chap. 290, laws of 1909. Sec. 1976. "No person, officer or broker, agent or sub-agent of any insurance corporation of any kind required to pay any tax or license fee to the State, shall act or aid in any manner in transacting the business of or with such corporation in placing risks or in collecting any premiums or assessments or effecting insurance therein, without first procuring from the insurance corporation a certificate of authority; nor shall any such person, officer, broker, agent or sub-agent, after such certificate shall have expired, or after revocation by the Commissioner of Insurance of such certificate or of the license of such corporation and until a new certificate or license shall have been issued to him, do or perform any such act for or in behalf of any insurance corporation." Chap. 116, laws of 1909. Sec. 2. "No such certificate shall be issued by any other than the officers or resident agent of such corporation signing the policies of insurance issued by it or a person duly authorized thereto in writing by such officers or resident agent, after a copy of such authority has been filed in the office of the Commissioner of Insurance; nor unless the same shall be in such form as prescribed by the Commissioner of Insurance and numbered consecutively as issued by the person authorized thereto, and a statement or statements of the names and residences of all persons to whom such certificates are issued on any day, in such form as prescribed by the Commissioner, together with the fees provided for certificates to agents by Sec. 1972, shall be mailed to said Commissioner on the day such certificates

are issued." Sec. 3. "All certificates hereafter issued shall expire annually upon the expiration of the license of the company issuing the same, unless previously revoked, pursuant to law." The Insurance Department does not license agency corporations. Licenses are issued only to individuals, and each member of a firm must be licensed. Sec. 1976. "5. No person shall be required to hold such certificate of authority from more than one company for the purpose of acting as agent and receiving commissions for transacting the kind or kinds of insurance authorized by such certificate for any other company in co-operation with any person holding such certificate of authority for such other company. This sub-section shall not apply to life insurance." Every person violating the provisions of this section shall be guilty of a misdemeanor and be punished by a fine of not more than \$500 for each offense.

ANNUAL STATEMENTS—Must be filed in January, showing condition as of preceding December 31. Time may be extended for due cause, upon request, not longer than sixty days. These statements, those named under "Tax Statements," and foreign companies' home office statements, are only ones required annually.

ANTI-COINSURANCE—Sec. 1943a, Laws of 1913. "Except as otherwise provided by law, no fire insurance company shall issue any policy in this State containing any provision limiting the amount to be paid in case of loss below the actual cash value of the property, if within the amount for which the premium is paid, unless, at the option of the insured, a reduced rate shall be given for the use of a co-insurance clause made a part of the policy. The rate for the insurance, with and without the co-insurance clause, shall be specified upon every policy. Any company may, by so providing in the policy, distribute the total insurance in the manner and upon as many items as specified therein, or limit the amount recoverable upon any single item, article, or animal to an amount not exceeding the cost thereof, or to an amount specified in the policy."

ANTI-COMPACT—Sec. 1943b, Insurance Laws. "No fire, fire and marine, or marine and inland insurance company or association, its agents or representative doing business in this State, shall, either directly or indirectly, enter into any contract, agreement, combination or compact with any other such company or companies, or its or their agents or representatives, for the purpose of establishing and maintaining a fixed schedule or schedule of rates; provided, that in cities and villages it shall be lawful for the local board of underwriters, incorporated under the statutes of this State, and in case of the non-existence of such board therein, for an association of the local agents, in such city or village, to, from time to time, establish and maintain rates therein, and for them and such companies represented by them to enter into any lawful contract or agreement to so establish and maintain rates so made; all such schedules shall at all reasonable times be open to the inspection of the insured or any person applying for insurance. * * *" Penalty for violation, \$500 and revocation of license.

ANTI-REBATE—Sec. 19550. “2. a. No * * * insurance company or any agent thereof shall make any contract or agreement as to such contract other than as plainly expressed in the policy issued pursuant thereto. * * * b. No insurance company or any officer, agent, director or employee thereof, doing business in this State, shall pay, * * * allow or give or offer to pay, * * * allow or give, nor shall any person receive, any rebate of premium payable on the policy, or any special favor or advantage whatever in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever not specified in the policy. c. No person shall as agent receive any compensation for effecting insurance upon his own property, life or other risk, unless during the twelve months preceding, as the agent for the company assuming such risk, he shall have effected other insurance therein, the premium on which shall exceed the premium on the insurance so effected on his own risk. d. This section shall not prevent the payment of the whole or any part of any commission to a domestic corporation, except that no commission shall be so paid where any officer, employee or stockholder of such corporation shall be interested in the property or risk, the insurance on which produces such commission, otherwise than as an agent authorized under section 1976. e. Any agent may pay the whole or any part of his commissions to: (1) An agent other than a life agent, holding a certificate of authority under section 1976 for writing the kind of insurance for which such commissions are paid. (2) A non-resident insurance agent, or any insurance company authorized in this State, as to insurance upon property owned by non-residents or located wholly outside of this State. (3) A non-resident agent of the fidelity or surety company paying such commissions. Except as aforesaid, no agent shall pay the whole or any part of the commissions upon any policy to any other person. f. Provided, that any company may make distribution of savings, earnings or surplus to any class of policyholders, without having specified such dividends or distribution in the policy, where a schedule is first filed with the Commissioner of Insurance. h. Provided, that the furnishing of information, advice or service by any company, officer, agent, director or employee thereof, with regard to any risk or for the purpose of reducing the loss or liability to loss, shall not be a violation of this section.” (Sec. 19550 (2i), Laws of 1913. “The extension of credit to the insured upon a premium without interest for not exceeding sixty days from the time the insurance is written, or thereafter with interest at not less than the legal rate, as agreed upon in writing, shall not be a violation of this section.” 3. No * * * insurance company or any agent thereof shall at the time of soliciting insurance or issuing a policy, or at any time in consideration of or in connection with a policy issued or proposed to be issued, make or offer to make any contract or agreement whatever for any deduction from any premium or any addition to any dividend or other benefit whatever, on account of services rendered or to be rendered by the applicant for the policy or any person interested therein,

either as an advisor of the company or as a member of an advisory or similar board or body or in any other capacity or manner whatever; nor contract for, sell or offer for sale any stock of such * * * insurance company or any stocks, bonds or other certificates representing any interest or property in any organized company or corporation which shall at the time be under any contract or agreement whatever with such * * * insurance company, or own or control any of the stock thereof, or in any case where any part of the stocks, bonds or certificates of indebtedness of such company or corporation shall be owned or held by such * * * insurance company. No person shall so contract with any such company or agent thereof, or receive any such favor, privilege or advantage whatever, within the meaning of this act. 4a. Notwithstanding any violation of this section the policy shall be valid, but the insured, having knowingly and wilfully violated any provision of this section, shall be entitled to recover from the company only such proportion of the amount otherwise payable under the policy or contract of insurance as the amount of the premium or premiums which have become payable, according to the terms of the policy, deducting any rebate and the value of any special favor or advantage or consideration or inducement in violation of this section, bears to the amount of such premium or premiums. b. Any company, officer, director, agent or employee thereof violating this section and any other person knowingly and wilfully * * * violating this section shall be punished by a fine of not less than fifty dollars, nor more than three hundred dollars, or by imprisonment in the county jail for a term not exceeding six months, or by both such fine and imprisonment." Sub-sections 5 and 5m provide a further penalty in the revocation of the agent's license, which may not be renewed for from six months to three years, as ordered by the Commissioner. Self-incriminating testimony is required under an immunity provision. The State does not attempt to regulate rates for fire insurance, and companies may vary rates from board rates or between different applications for insurance.

ATTORNEY—The Insurance Commissioner must be empowered to accept service of legal process. In his absence, service may be made on any agent of the company.

CANCELLATION OF POLICY—Sec. 1941-52, Insurance Laws. "This policy shall be canceled at any time at the request of the insured, or by the company, by giving five days' notice of such cancellation, unless during a time in which the hazard shall be increased solely by the act of God, and in such case, and during such time of such increase of hazard, the company shall not cancel this policy, except upon sixty days' notice of such cancellation, without the consent of the assured. If this policy be canceled as hereinbefore provided, or become void or cease, the premium having been actually paid, the unearned portion shall be returned on surrender of this policy or last renewal, this company retaining the customary short rate; except that when this policy is canceled by this company, by giving notice it

shall retain only the pro rata premium." Sec. 1946d, Insurance Laws. "Any company, association or corporation transacting the business of insuring property against loss or damage from any cause shall, except as is otherwise provided by any provision applicable to any class of insurance companies, cancel any policy at any time, by request of the party insured, or his assignee, and return to said party the amount of premium paid, less the customary short-rate premium for the expired portion of the full term the policy has been issued." Mutual policies may be terminated on notice and payment of proportion of their existing claims.

CAPITAL REQUIRED—Stock company must possess at least \$100,000 of actual cash capital, and, upon beginning business, a surplus of at least 25 per cent of capital. Company writing both fire and marine insurance must have at least \$150,000 capital. Mutual companies of other States must conform to the standard of solvency of Wisconsin companies. Lloyds must comply with the requirements of foreign companies.

COMMISSIONS TO NON-RESIDENTS—Commissions must be received by resident agents and can only be divided between agents of authorized companies transacting the same kind of insurance for which such commissions are paid, except that in case of non-resident-owned property and property located wholly outside of the State a division may be made with an outside agent or broker. An agent cannot receive a commission upon his own insurance unless in the preceding year he has written more premiums upon the property of others than upon his own.

DEPOSIT—None required of American companies. Foreign companies are required to have on deposit with some State not less than \$200,000 in prescribed securities.

DOMESTIC COMPANIES—No new company, either stock or mutual, can be organized except under the general law, which follows: Section 1896. "Subject to the conditions and in the manner prescribed by law, a corporation may be organized by fifteen or more residents of this State to transact the business of insurance and the articles thereof may be amended, in the manner provided in chapter 86 of the statutes, except that such articles and amendments shall be filed in the office of the Commissioner of Insurance, and shall be submitted to and approved by the Attorney General before filing." Chapter 86 is the general law for the organization of corporations. The fee is \$25 for a corporation with a capital stock of not over \$25,000 and one dollar for each additional \$1000 of capital stock. Fire companies may insure against loss or damage to property on land, by fire, lightning, hail, tempest or explosion. A company may be organized to write both fire and marine insurance. The limitation upon the term of duration of domestic corporations has been removed. Fire companies may write windstorm and sprinkler leakage risks and complete coverage automobile insurance in one policy.

EXAMINATIONS—Whenever it is deemed expedient by the Commissioner, or whenever written charges are made by a responsible person against a

company, the Commissioner is empowered and instructed to make an examination into such company's affairs. He may also examine a company when he has information that it has violated the resident agents' law. Commissioner shall revoke license of company found to be in unsound condition.

FEES—For filing first declaration or statement with certified copy of charter, \$25; for filing annual statement, \$25; for each certificate of authority issued to agent (one for each member of firm, and one for each company represented by an agent), \$1; for copies of papers on file, 10 cents per folio; affixing seal, 50 cents; for service of process, \$2; for examinations, actual expenses, and compensation to persons other than officers and employees of the State; for adjuster's license, \$1. Domestic mutual companies, except those organized prior to 1909 under Secs. 1896, 1897 and 1898, are exempt from the charter, annual statement and agency fees noted above. Each company guaranteeing a joint policy must pay full fees. Fees payable to Insurance Commissioner. Reciprocal and retaliatory provisions.

FIRE DEPARTMENT TAX—Sec. 1926. Amended Laws of 1913. "1. * * * Every city or village or town containing an unincorporated village, having or maintaining a regularly organized fire department, as hereinafter provided, shall be entitled, for the support and maintenance of such fire department, * * * to * * * two per centum upon the amount of all premiums which, during the year or part of a year ending on the next preceding first day of January, shall have been received by, * * * or shall have been agreed to be paid to any company or insurer, or agent thereof, for any insurance effected, or agreed to be effected, or promised by such company insurer or agent thereof * * * against loss or injury by fire in any such city or village, or within a radius of one mile from the location of any fire department, in any town containing an unincorporated village; such dues to be payable as provided in Sec. 1926m. * * *

"2. No city, village or town shall be entitled to such * * * dues unless it shall have, support or maintain a fire department consisting, in case of a voluntary department, of at least one fire engine company with not less than ten active members, having at least one good fire engine and not less than five hundred feet of sound rubber, leather or other hose kept in an engine house fit and ready at all times for actual service, and at least one hook and ladder company, with not less than twelve active members, having a good hook and ladder truck, and each such company shall hold a meeting at least once a month, and in case of a paid or partly paid fire department, the buildings, machinery and materials hereinbefore enumerated and the necessary men, teams and equipments to constitute an active and properly equipped department, ready for service at all times. * * *

"3. In case any city, village or town shall have and maintain a system

of waterworks with sufficient pressure for fire purposes, with one or more hose companies of not less than ten active members, each having not less than five hundred feet of sound rubber, leather or other hose, with one or more hose carts kept fit and ready at all times for actual service, such city, village or town shall not be required to maintain a fire engine." No municipality will receive taxes until Fire Marshal has certified to Commissioner of Insurance that all requirements have been complied with. The method of payment of fire department dues is changed by Sec. 1926m, which is made to stand in lieu of the requirement of a bond, statement and payment by the agent, provided the tax is actually paid by the company. The Commissioner is required to certify to companies before November 1 a list of cities, etc., entitled to fire department dues, and the companies are required to file a statement and make payment of the same to the Commissioner with the annual report. The Commissioner orders the amounts collected for each city, etc., transmitted to it on or before May 1, with a statement of the companies paying same. Fire patrols may be established in any city by an incorporated board of underwriters. Meetings of the latter may be attended by any person doing a fire insurance business, and each corporation represented is entitled to one vote. The year's expenses shall be levied on February 1, on the receipts for the year ending January 1 preceding, but the assessments in any one year shall not exceed two per cent of premiums received. Penalty for failure to report business written fifteen days after notice, \$50, and \$50 for each additional day thereafter.

FIRE MARSHAL—A State fire marshal investigates fires. Chief of every Fire Department is a deputy State fire marshal.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Are required annually.

GENERAL PENALTIES—For neglecting to pay fees and obtain a license, or for violation of, or non-compliance with, any provision of law, or for removing a suit to a United States court, or for not making good an impairment when required, the Commissioner must revoke a company's license. For misrepresentation as to assets, capital, surplus or risks, \$500 for first offense and \$1000 for each subsequent offense. Sec. 1955o. 5. "Any corporation violating any of the provisions of the laws of this State relating to insurance shall, where no other penalty is prescribed, be punished by a fine of not more than \$5000, and any person violating any of the provisions of the laws of this State relating to insurance shall, where no other penalty is prescribed, be punished by a fine of not more than \$1000, or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment."

GUARANTY AND SPECIAL RESERVE FUNDS—Insurance Laws, Secs. 1909-1914, provide for the establishment and maintenance of guaranty and special reserve funds in substantially the manner prescribed by the law of New York upon the same subject, which see.

IMPAIRMENT—Limit permitted, domestic companies, twenty-five per cent ; other companies, twenty per cent.

INVESTMENTS PRESCRIBED—Sec. 1903, Laws of 1913. "1. Except as otherwise provided by law, a domestic insurance corporation may invest its assets as follows :

(a) In the lawfully authorized bonds or other evidences of indebtedness of the United States or of any State of the United States, or of the Dominion of Canada or of any province thereof.

(b) In the lawfully authorized bonds or other evidences of indebtedness of any county, city, town, village, school district or other municipal district within the United States or the Dominion of Canada, which shall be a direct obligation of the county, city, town, village or district issuing the same ; provided, that any such municipal district other than a county, city, town, village or school district shall have a population according to the last national or State census preceding the date of such investment of not less than one hundred thousand.

(c) In loans upon improved and unincumbered real property in any State of the United States, and upon leasehold estates in improved real property for a term of ninety-nine years or more where twenty-five years or more of the term is unexpired and where unincumbered except by rentals accruing therefrom to the owner of the fee, and where the mortgagee is entitled to be subrogated to all the rights under the leasehold ; provided, that the fair market value of such real property or such leasehold estate at the time of the loan shall be at least fifty per centum more than the sum loaned thereon, exclusive of buildings unless such buildings are kept insured to an amount which, together with one-half the value of the land, shall equal or exceed the loan, and the policy or policies of insurance thereon be assigned to and held by said corporation as collateral to such loan.

(d) In the first mortgage bonds of any railroad or other public service corporation of any State or territory of the United States, or of the District of Columbia, or of any province of the Dominion of Canada.

(e) In the stocks and bonds and other evidences of indebtedness of any solvent dividend paying corporation of any State or territory of the United States, of the District of Columbia, or of any province of the Dominion of Canada, in which said insurance corporation shall be doing business at the time of such investment, excepting stock in its own corporation or in any other insurance corporation. No such investment shall be made in any unincorporated business or enterprise, nor in the stocks, bonds or other evidences of indebtedness of any corporation, the owners or holders of which may, in any event, be or become liable on account thereof to any assessment except for taxes or laborers' liens, nor unless all the outstanding stock of such corporation has for five years next preceding the date of such investment regularly paid dividends of at least four per centum per annum and the paid-up capital stock equals at least one-third its funded indebtedness, on which the interest charges have been regularly paid for such period.

(f) In loans upon collateral security of any of the foregoing securities; provided, that the market value of such securities shall not, during the continuance of such loan, be less than the indebtedness thereon.

(g) In such real property as shall be necessary for the convenient transaction of its business, subject to other provisions of law.

(h) Every such domestic corporation doing business in any foreign country may invest the funds required to meet its obligations incurred in such foreign country in conformity to the laws thereof in the kind of securities of such foreign country in which such corporation is authorized to invest in this State."

"2. Any such domestic insurance corporation shall invest and keep invested an amount at least equal to its paid-up capital stock in any of the securities mentioned in paragraphs (a), (b) and (d) of subsection 1 of this section, or in loans upon real estate located within this State."

"3. No domestic insurance corporation, including any domestic insurer, shall make any investment not authorized by law."

"4. No such corporation shall invest in, acquire or hold, directly or indirectly, more than ten per cent of the capital stock of any corporation, nor shall more than ten per cent of its admitted assets be invested in the stock or securities of any one corporation."

Farmers' town mutuals may loan money on notes, under certain restrictions.

LICENSED BROKERS—Chapter 87, Laws of 1911, provides for the licensing of agents to procure fire insurance policies in corporations not authorized to do business in the State, in consideration of a yearly fee of \$15, or of \$50 in a city having more than 100,000 inhabitants. Such licenses expire January 31, and are revokable at any time. The law requires the execution of an affidavit by the agent to the effect that he has been, after diligent effort, unable to procure the amount of insurance required to protect the property described from authorized companies. Such agent must keep records of his business and yearly, on or before February 1, file a report with the Insurance Commissioner and pay a tax of two per cent on the premiums collected. A bond of \$1000 is required from such agent.

LIMIT ON A SINGLE RISK—All companies (except as otherwise provided) ten per cent (net) of admitted assets. Mutual companies, three times average policy or one-fourth of one per cent of insurance in force, whichever is greater. Local city and village mutual companies, \$1500 (\$3000 under certain specified conditions); town companies, \$3500 on certain specified classes.

LLOYDS—Sec. 1915, Statutes of 1913. "1. (c) A Lloyds association, whereby each associate underwriter becomes liable for a proportionate part of the whole amount insured by a policy, may be admitted to transact insurance, other than life insurance, in the State, upon the same terms and conditions as insurance companies of other States in the United States.

(2) No capital stock shall be required. (3) Each alien underwriter shall keep and maintain on deposit at all times with the attorney or attorneys in fact for such Lloyds association licensed in this State, a sum in cash or in securities mentioned in Sec. 1903, equal to three times the maximum amount assured by such underwriter on any single risk, or in lieu thereof the Lloyds association may comply with subsection 4 of this section. (4) No underwriter shall assure any liability or any single risk in this State (excluding reinsurance authorized by the laws of this State) in excess of ten per centum of the net worth of such underwriter. (5) A statement of such limit of single risk and of liability, and of such net worth with the names, addresses and occupations of all individual underwriters shall be filed with the application for admission, and with each annual statement and oftener as required by the commissioner."

Sec. 4. "Contracts executed by an attorney (inter-insurance). Statement must be filed with Insurance Commissioner showing application for indemnity upon at least 100 separate risks aggregating \$1,500,000, covered by bona fide contracts. Deposit required with attorney, \$25,000. Annual license, \$25, and a tax of two per cent upon gross premiums deducting all amounts returned to subscribers or credited to their accounts other than for losses." Sec. 1978, Statutes of 1898. "No corporation, association, partnership or individual shall do any business of insurance of any kind or make any guaranty, contract or pledge for the payment of annuities or endowments or money to the families or representatives of any policy or certificateholder, or the like, in this State, or with any resident of this State, except according to the conditions and restrictions of these statutes. And the term 'insurance corporation,' as used in this chapter, may be taken to embrace every corporation, association, partnership or individual engaging in any such business." Marine insurance may be transacted by a Lloyds having not less than twenty-five subscribers, of whom a majority must at all times be citizens of the State. Each underwriter must pay in at least \$500. A license fee of two per cent of gross premiums is charged.

MISCELLANEOUS—Provision is made for the creation and maintenance of "guaranty surplus" and "special reserve" funds. In joint policies guaranteed by two or more companies, the severalty of the contract may be expressed in the heading of the policy. Copy of application or representations of insured must be attached to policies. Insurance Commissioner is not permitted to receive any gift, payment for extra services or for purposes of legislation, or anything beyond the statutory payment from a company which he has examined. License of company failing to pay final judgment for sixty days shall not be renewed while judgment remains unpaid. Penalty for company continuing business thereafter, \$1000; penalty for violation by agent, \$100 to \$500. Underwriters' departments and general agencies of companies are prohibited from using misleading advertisements and statements which would indicate that they are separate companies. On all applications and policies the name of parent company

must be conspicuous. Commissioner may take charge of delinquent domestic companies. Commissioner has supervision over company promoted. Promotion expenses of new companies are limited by law to 15 per cent of the amount actually paid upon separate subscriptions to such stock. Chap. 235, Laws of 1893, provides for judgment for attorney's fee against insurance company when losing case.

MUTUAL COMPANIES—See "Domestic Companies," also "Capital Required." Town insurance companies may be organized by twenty-five or more persons residing in the same town, or in adjoining towns, not exceeding thirty in number, except in counties containing a larger number, when all towns may be included, owning at least \$25,000 worth of insurable property. They are not required to use the standard policy form. Other classes of mutual companies must be organized under general law, Sec. 1896, *et seq.* See "Domestic Companies." Titles (and policies) must contain the word "mutual." Mutual companies of other States governed by reciprocal provision. Directors failing for thirty days to endeavor to collect assessments, by suit if necessary, become individually liable, and are also liable on policies issued in excess of amount allowed by law to be written on a single risk. They are also liable on policies written upon property in any State in which company is not licensed.

PRELIMINARY DOCUMENTS—Company must file with the Commissioner a certified copy of its charter and a verified statement showing its financial condition at date of application, and a copy of its last annual report; also a stipulation that it will not remove to a United States court any suit begun in a State court. An examination must precede admission. Foreign companies must file copy of charter duly certified by secretary, certificate of deposit, certificate of compliance, copies of printed matter issued by the company, and copy of policy form. Certificate of compliance with laws of company's home State not required annually. Inter-insurers may be admitted on filing authority to Commissioner to accept service of process, and an examination as in other cases. Sec. 1915, Laws of 1913.

PUBLICATION—Publication by company not required. Misleading advertisements forbidden; foreign companies may only advertise United States assets. Capital advertised must be paid up.

RECIPROCAL LAW—Sec. 1. There is added to the statutes a section to read (51.331): "When any insurance corporation or other insurer of this State shall be licensed to transact insurance in any other State, territory, or district of the United States, like insurance corporations or insurers from such other State, territory or district shall pay no other or greater taxes, fees or licenses than are or would lawfully be imposed upon and collected from like insurance corporations or insurers of this State by such other State, territory or district; but the amount of such taxes or fees paid by insurance corporations or insurers subject to Section 1926. (See "Fire Department Tax"—Editor) and 1946-n (Fire Marshal Tax—Editor) shall not be less than the amount required and applied, as

provided in said sections. This section shall not apply to insurance corporations or other insurers of any foreign country."

REINSURANCE—Sec. 1905, Laws of 1913. "1. Any insurance company or association authorized to transact business in this State may, unless otherwise provided by law, assume as a reinsurer the whole or any part of the liability of any other company or association upon such risks as it may insure direct; and may, unless otherwise provided by law, cede to and reinsure in any other responsible company or companies, whose capital and surplus shall equal or exceed the minimum of capital and surplus required by domestic companies, for the transaction of similar business, the whole or any part of its liability upon risks assumed.

"2. But no stock fire insurance or fire reinsurance corporation shall expose itself to any loss on any one risk or hazard to an amount exceeding ten per centum of its paid-up capital and surplus. No portion of any such risk or hazard which shall have been reinsured as authorized by law shall be included in determining the limitation of risk prescribed by this section.

"3. No fire insurance or fire reinsurance corporation or association shall assume as reinsurer or otherwise, in any manner or form whatsoever, the whole or any part of any risk or liability covering property located within this State of any fire insurance or fire reinsurance corporation or association not authorized to transact business in this State.

"4. The receiver of any insurance company, when authorized by the court to do so, may reinsure all its risks in any solvent corporation authorized to do a similar business in this State, if the assets of the corporation of which he is receiver are sufficient to effect such reinsurance; if such assets are insufficient the receiver, upon the like consent, may reinsure a percentage of each such risk of such corporation outstanding to the extent of its assets available for that purpose.

"5. Any fire insurance company or reinsurance company licensed to do business in this State, shall, on retiring from business before the expiration of its policies or contracts, file with the insurance commissioner a written notice of such intention, together with a sworn statement of its outstanding liabilities or obligations under such policies or contracts and shall reinsure such liabilities or obligations in a company authorized to do business in this State."

REINSURANCE RESERVE—One-half of the premiums on all unexpired fire risks, and the whole premiums on unexpired marine risks, also loss reserves on casualty business.

RESIDENT AGENTS—Sec. 1919a. "1. No policy of insurance shall be issued or delivered in this State by any company, except through an agent who shall be a resident of this State and hold a certificate of authority under Sec. 1976, for the kind of insurance effected by such policy. 2. In case of fire insurance, the agent shall countersign and enter the policy in a permanent record to be kept by him for that purpose. Such agent shall be paid the commission on the policy. 3. The books of every person trans-

acting or purporting to transact the business of an insurance agent shall at all times be open to the inspection of the Commissioner of Insurance, his deputy or examiners, and a refusal to permit such inspection shall be *prima facie* evidence of a violation of this section. 4. This section shall not prevent any insurance placed in violation thereof taking effect. 5. Any company or person soliciting or placing insurance without complying with this section shall, in addition to other penalties provided by law, be liable personally upon such policy or contract of insurance to the same extent as the company issuing the same. 6. This section shall not apply to: (a) Policies issued directly from the home office of any company organized under the laws of this State. (b) Policies covering property in transit while in the possession or custody of any common carrier, or the rolling stock or other property of any common carrier used and employed by it as a common carrier of freight or passengers. (c) Policies issued directly, by any mutual company or any association doing business on the inter-insurance or reciprocal plan, on which no commissions are paid, except to a home office manager or an attorney in fact for such company or association, as specifically authorized by the insured." Penalty for violation, revocation of license for from six months to three years. Sec. 1919g. "Nothing contained in Chapter 190, Laws of Wisconsin for the year 1899, shall be construed as preventing any insurance company which has lawfully issued a policy of insurance upon property within this State, from reinsuring said risk or any portion thereof, in any authorized company without having said policy of reinsurance signed by a local agent in this State."

SEMI-ANNUAL STATEMENTS—None required, except for fire patrol purposes.

STANDARD POLICY—A standard form of policy, varying slightly from the New York form, is prescribed to be used by all except local mutual companies. Lightning losses are covered by the standard policy, as amended in 1907. Penalty for violation, \$50 to \$100 for first offense, and \$100 to \$250 for each subsequent offense. See "Miscellaneous." Inter-insurance associations need not use standard policy form, but contract must contain in substance the provisions of the standard policy. Chap 489, Laws of 1913, requires blank form of notice of fire loss to be attached to all policies on real or personal property, to be detached and used by insured in case of fire. Policyholder preferred claimant for unearned fire premium unless otherwise agreed. Sec. 1941, Chap. 464.

TAXES—Sec. 51.31, Statutes of 1898 (as amended in 1909 and 1915).

1. Every company transacting the business of insurance against fire, or by the risk of inland navigation and transportation, other than companies under sub-section 2 hereof, shall pay to the State on or before the thirty-first day of January in each year a tax of two and three-eighths per centum on the amount of the gross premiums received for direct insurance, less return premiums and cancellations on direct insurance, by such company, during the preceding year, in this State. Direct insurance shall

include all insurance other than reinsurance. In case any company shall discontinue business in this State and reinsure the whole or part of its risks without making payment of this tax, the company accepting such reinsurance shall pay the tax; and if several companies shall make such reinsurance the tax shall be apportioned between such companies in proportion to the original premiums upon the business, in this State, so reinsured by each such company. Upon the payment of the tax herein provided, such company may be licensed to transact its business until the last day of January in the ensuing year, unless sooner revoked or forfeited according to law." 2. Excepting domestic mutual insurance companies included in section 51.32 and companies heretofore organized under sections 1896 to 1900, inclusive, no domestic mutual insurance company shall be required to pay any taxes, fees, or charges to the State." Sec. 51.311, Laws of 1915. 3. "All license fees and taxes levied under any provision of law upon gross premiums against * * * any insurance company or other insurer shall be uniformly calculated on the amount of gross premiums received for direct insurance less return premiums and cancellations and returns from savings and gains on direct insurance by such company or other insurer during the preceding year in this State." Sec. 51.345. "Any company not authorized to do business in this State, which shall insure any property situated in this State against fire or the risk of inland navigation or transportation, shall pay to this State a tax upon the gross premiums paid to such company on such insurance computed at the rate per centum prescribed by section 51.31, and on default of any such company in the payment of such tax before the first day of March next succeeding, the owner of such property shall pay such tax. Every person paying more than one hundred dollars premiums to any one such company in any year shall report the same in writing by mail to the Commissioner of Insurance before the first day of March next succeeding, and if such report be not made and such tax remains unpaid for sixty days after the said first day of March, the tax shall be increased by one-tenth for every month during which such tax remains unpaid after the expiration of said sixty days." Fire marshal tax, three-eighths of one per cent on gross premiums less return and reinsurance premiums, is included in tax levied under Sec. 51.31. Sec. 51.331 of 1915 Laws requires the same amount of taxes from companies domiciled in States requiring greater taxes from Wisconsin companies than are required in Wisconsin. See "Reciprocal Law."

TAX STATEMENTS—For computation of license fee (annual statement), by January 31; for fire department taxes, February 1; for support of fire patrols, April 1 and October 1.

VALUED POLICY—The former valued policy law was repealed in 1915, and a law was enacted (Sec. 1943-f) prohibiting insuring for or paying a loss claim in excess of the cash value of the property insured.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

See "Fire Department Tax."

MILWAUKEE—The fire insurance patrol assessment is this year 1.8 per cent; fire department tax, two per cent of net premiums. Every agent must, annually, on or before February 10, file his name and address with the treasurer of the fire department.

WYOMING.

STATE REQUIREMENTS.

AGENTS DEFINED—Insurance Laws, Sec. 26. “* * * The term agent or agents used in the foregoing section shall include an acknowledged agent or surveyor, or any other person or persons, who shall in any manner, directly or indirectly, transact or aid in transacting the insurance business of any insurance company not incorporated by the laws of this State. The provisions of the foregoing section relative to foreign companies shall apply to all such companies, partnerships, associations or individuals, whether incorporated or not. * * *”

AGENTS' LICENSES—Agents must procure licenses, which expire annually on December 31. Agency corporations will be licensed, but names of members forming same must be filed. Under the resident agents' law, a license may be issued to a general or special agent of any company to do business in the State, upon application by the home office.

ANNUAL STATEMENTS—Must be filed within sixty days after January 1, showing condition as to previous December 31. These are only statements required yearly. See “Tax Statements.”

ANTI-COINSURANCE—No law prohibiting use of coinsurance clauses.

ANTI-COMPACT—No statute forbidding co-operation.

ANTI-DISCRIMINATION—No provision.

ATTORNEY—The Insurance Commissioner must be appointed attorney to accept service of legal process. A resident of each county in which company does business must also be authorized to accept service.

CANCELLATION OF POLICY—No provision for notice to insured.

CAPITAL REQUIRED—Foreign company must possess an actual paid-up capital of at least \$300,000, exclusive of special deposits. Domestic company, \$100,000.

COMMISSIONS TO NON-RESIDENTS—The Insurance Department rules that all policies of fire insurance solicited in Wyoming must be countersigned by a duly licensed resident agent of the State, and the agent so countersigning policies must receive the full commission.

DEPOSIT—None required. Foreign company must have \$100,000 on deposit with the proper official of one of the States or Territories of the United States. (Character of securities not specified.)

DOMESTIC COMPANIES—Any number of persons may form a company by publishing notice of intention once a week for four weeks in county of location, and certifying name, object, amount of capital stock and location of principal office, to the Insurance Commissioner, who shall submit certificate to the Attorney-General for approval. When approved, certificate must be recorded, as are articles of incorporation. Capital must be not less than \$100,000, nor more than \$1,000,000. There shall be five to twenty-one directors.

EXAMINATIONS—May be made whenever deemed expedient by the Commissioner. Failure to pay expenses of examination will be punished by termination of business in the State. Insurance Law, Sec. 21. "The State Insurance Commissioner is hereby authorized and empowered to address any inquiries to any insurance company in relation to its doings and conditions, or any other matter connected with its transactions, which he may deem necessary for the public good, or for a proper discharge of his duties, and it shall be the duty of any company so addressed to promptly reply in writing thereto." (R. S., 1899, Sec. 83.) Sec. 28. "It shall be the duty of the Insurance Commissioner, whenever he shall deem it expedient to do so, in his judgment, to appoint one or more persons, not officers, agents or stockholders of any insurance company doing business in this State, to examine into the affairs and condition of any insurance company incorporated or doing business in this State, or to make such examination himself, and it shall be the duty of the officers or agents of such company or companies to cause their books to be opened for the inspection of the Insurance Commissioner or the person or persons appointed, and otherwise facilitate such examination so far as may be in their power so to do, and for the purpose of arriving at the truth in such cases, the Insurance Commissioner, or the person or persons so appointed by him, shall have power to examine, under oath, the officers or agents of any company or others, if necessary, relative to the business and condition of the said company; and whenever the Insurance Commissioner shall deem it best for the interests of the public so to do, he shall publish the result of such investigation in one or more papers of this State. * * *"

FEES—For filing examination of application and issuing certificate, \$50; for filing annual statement, \$25; for filing acceptance of State constitution, \$2.50; for every certificate of authority for agents, \$2; for every copy of paper on file, 15 cents per folio; for certifying same on affixing seal, 50 cents; for examinations, necessary expenses; for publication of condensed statement, \$12. Fees are payable to Insurance Commissioner.

FIRE MARSHAL—No provision for investigation of fires.

FOREIGN COMPANIES' HOME OFFICE STATEMENTS—Not required.

GENERAL PENALTIES—Sec. 50 provides for revocation of license for any violation of or non-compliance with the law. Sec. 27 provides a penalty of not exceeding \$1000 fine, and imprisonment for thirty days to six months, for any violation of or non-compliance with law. License of company in unsound condition to be revoked.

IMPAIRMENT—Limit of impairment permitted, twenty per cent. A larger impairment must be made good or business must cease.

INVESTMENTS PRESCRIBED—The capital and accumulated funds of a domestic company may be invested in bonds and mortgages on unincumbered real estate in Wyoming, worth double the amount loaned thereon, or in the stocks of Wyoming, or in the stocks or treasury notes of the

United States, or in the stocks and bonds of any county or incorporated city in Wyoming, which may have been authorized to be issued by the Legislature, or may lend the same, or any part thereof, on the security of such stocks, bonds or mortgages as aforesaid, and any surplus moneys over and above the capital stock may be invested in or loaned upon the pledge of public stocks of the United States, or of any one of the States, or upon the stocks, bonds or other evidences of indebtedness of any solvent dividend-paying institution incorporated under the laws of Wyoming or of the United States, except its own stock, provided that the current market value of such securities shall be, at all times, during the continuance of such loan, at least twenty per cent more than the sum loaned thereon. No domestic company shall purchase or hold real estate except such as shall be necessary for the convenient accommodation of its business, and all other real estate acquired in satisfaction of legitimate debts shall be sold or conveyed within three years after the company shall have perfected title thereto; time of sale may be extended for sufficient cause by the Insurance Commissioner.

LICENSED BROKERS—No provision.

LIMIT ON SINGLE RISK—S. L. 1911, Ch. 50. "No company, organized under this chapter or transacting business in this State, shall expose itself to loss on any one risk or hazard to an amount exceeding 10 per cent of its paid-up capital, nor to write on risk within the corporate limits of any one city an amount representing more than the paid-up capital of the company, unless the excess shall be insured by the same in some other good and reliable company or companies."

LLOYDS—Insurance Law, Sec. 42. "Any insurance company, association or partnership organized for any of the purposes specified in this chapter, incorporated by or organized under the laws of any other State or the United States, or any foreign government, violating the provisions of this chapter, shall forfeit the sum of \$500 to the State of Wyoming for each and every offense. * * *"

MISCELLANEOUS—Sec. 37. "It shall not be lawful for any company organized upon the mutual plan to do business and take risks upon the stock plan; neither for a company organized as a stock company to do business upon the plan of a mutual insurance company."

MUTUAL COMPANIES—Must not commence business with less than 200 members subscribing \$25,000 of premiums, of which \$5000 must be paid in cash, and the remainder in notes of solvent parties for not more than \$500 each, and no two made by the same person or firm (unless the total is not more than \$500). Notes shall be held until accumulation of profits aggregates amount of cash capital required of stock companies, except those given for policies subsequently terminated. The word "mutual" must be embodied in the title of a mutual company. Mutual associations not organized for profit and insuring only members may be organized by 200 persons.

PRELIMINARY DOCUMENTS—Company must file with the Auditor, who is ex-officio the Insurance Commissioner, a certified copy of its charter and a verified statement, showing its financial condition, an instrument accepting the State constitution, and an appointment of the State Auditor as an attorney for service. Foreign companies must also file a certificate of deposit and certified copy of power of attorney of United States manager. On receiving certificate to do business the same must be published in two newspapers of general circulation, one of which must be published at the capital.

PUBLICATION—Statement must be published, once annually, in two newspapers of general circulation, one of which shall be published at the capital. Copies of same must be sent to State Auditor. In advertisements showing capital and assets, only cash capital and assets may be published. In addition, the Insurance Commissioner shall cause a condensed summary of the annual statement, showing capital, assets, liabilities, income, expenditures and business done in the State, to be published in a daily newspaper of general circulation in the State for six successive days, or in a weekly newspaper for six successive weeks, at the expense of the company; (fee, \$12.)

RECIPROCAL LAW—Insurance Laws, Sec. 33. "Whenever the existing or future laws of any other State or Territory of the United States shall require of insurance companies incorporated by or organized under the laws of this State, having agencies in such other State or Territory, or of the agents thereof, any deposit of securities in such State or Territory for the protection of policyholders, or otherwise, in any payment for taxes, fines, penalties, certificates of authority, license fees, or otherwise, greater than the amount required for such purposes from similar companies of other States or Territories, by then existing laws of this State, then, and in every such case, all companies of such States or Territories establishing or having theretofore established an agency or agencies in this State, shall be and are hereby required to make the same deposit for a like purpose with the Insurance Commissioner of this State, and to pay said Insurance Commissioner for taxes, fines, penalties, certificates of authority, license fees, or otherwise, an amount equal to the amount of such charges and payments imposed upon or required by the laws of such State or Territory of the companies of this State, or the agents thereof." (R. S., 1899, Sec. 3179.)

REINSURANCE—No prohibition of reinsurance in unauthorized companies. Companies reinsuring in unauthorized companies are held responsible. The Insurance Commissioner has ruled that when figuring taxes all deductions for reinsurance must be in companies authorized to do business in this State.

REINSURANCE RESERVE—Fifty per cent of premiums on all unexpired risks under one year, and pro rata on those running more than one year.

RESIDENT AGENTS—"It shall be unlawful for any foreign insurance com-

pany to make, write, place or cause to be made, written or placed in this State any insurance policy or contract of any kind to provide against any contingency which may be insured or guaranteed against, unless done through its duly and regularly appointed and authorized agent or agents, residents of this State; any insurance company violating this section shall have its certificate of authority to do business in this State suspended not less than one year, and it shall only be renewed upon a written pledge from the directors or executive body in authority over the officers that this section will be fully and faithfully observed."

SEMI-ANNUAL STATEMENTS—Not required.

STANDARD POLICY—None prescribed.

TAXES—Revised Statutes, Sec. 3788 (as amended). "There is hereby imposed and levied upon each and every insurance company transacting the business of insurance within this State a tax of two and one-half per centum per annum upon the gross premiums received by it for insurance within this State from the beginning until the close of the calendar year ending on the thirty-first day of December at midnight, as disclosed by the annual report made by said company to the Insurance Commissioner, as now required by law. * * * Insurance companies shall be subject to no other taxation under the laws of this State than that imposed by this section, except taxes on real estate or personal property owned or held in trust by them, and such fees as are now or shall be hereafter imposed as a condition precedent to the transaction of business within this State." Tax is payable by March 30 to the Insurance Commissioner. Penalty for violation, revocation of license.

TAX STATEMENTS—State taxes based on annual statement, which see.

VALUED POLICY—No requirement.

COUNTY TAXES AND FEES.

None.

MUNICIPAL TAXES AND FEES.

None.

UNITED STATES.

TAX UPON CORPORATIONS.

An Act of Congress, which was approved August 5, 1909, imposed (Sec. 38) a special excise tax of one per cent upon insurance companies, measured by their net income over and above \$5000. Sec. II of the Tariff Act of 1913 levied a normal tax of one per cent upon the income of individuals, and contained in the following provision (G) as to corporations, also repealing Sec. 38 of the Act of 1909. (In 1916 a bill (H. R. 16763) was introduced in Congress, and in August was reported by the Senate Finance Committee, which would increase the normal rate of tax to two per cent.)

G. (a) That the normal tax hereinbefore imposed upon individuals, likewise shall be levied, assessed, and paid annually upon the entire net income arising or accruing from all sources during the preceding calendar year to every corporation, joint-stock company or association, and every insurance company, organized in the United States, no matter how created or organized, but not including partnerships; but if organized, authorized, or existing under the laws of any foreign country, then upon the amount of net income arising or accruing by it from business transacted and capital invested within the United States during such year: Provided, however, That nothing in this section shall apply to labor, agricultural, or horticultural organizations, or to mutual savings banks not having a capital stock represented by shares, or to fraternal beneficiary societies, orders or associations operating under the lodge system, or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and providing for the payment of life, sick, accident and other benefits to the members of such societies, orders, or associations and dependents of such members, nor to domestic building and loan associations, nor to cemetery companies, organized and operated exclusively for the mutual benefit of their members, nor to any corporation or association organized and operated exclusively for religious, charitable, scientific or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual, nor to business leagues, nor to chambers of commerce or boards of trade, not organized for profit or no part of the net income of which inures to the benefit of the private stockholder or individuals; nor to any civic league or organization not organized for profit; but operated exclusively for the promotion of social welfare. * * *

(b) Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint-stock company or association, or insurance company, received within the year from all sources, (1) all the ordinary and necessary expenses paid within the year in the maintenance and operation of its business and properties, including rentals or other payments required to be made as a condition to the continued use or possession of property; (2) all losses actually sustained within the year, and not compensated by insurance or otherwise, including a reasonable allowance for depreciation

by use, wear and tear of property, if any; and in the case of mines a reasonable allowance for depletion of ores and all other natural deposits, not to exceed five per centum of the gross value at the mine of the output for the year for which the computation is made; and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts: Provided, further, That mutual fire insurance companies requiring their members to take premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves: Provided, further, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment thereof and the payment thereof, and life insurance companies shall not include as income in any year such portion of any actual premium received from any individual policyholders as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholder, within such year; (3) the amount of interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding one-half of the sum of its interest-bearing indebtedness and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the amount of interest paid within the year on an amount of its indebtedness not exceeding the amount of capital employed in the business at the close of the year: Provided, That in case of indebtedness wholly secured by collateral the subject of sale in ordinary business of such corporation, joint-stock company, or association, the total interest secured and paid by such company, corporation, or association within the year on any such indebtedness may be deducted as a part of its expense of doing business: Provided, further, That in the case of bonds or other indebtedness, which have been issued with a guaranty that the interest payable thereon shall be free from taxation, no deduction for the payment of the tax herein imposed shall be allowed; and in the case of a bank, banking association, loan, or trust company, interest paid within the year on deposits or on moneys received for investment and secured by interest-bearing certificates of indebtedness issued by such bank, banking association, loan, or trust company; (4) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof, or imposed by the Government of any foreign country: Provided, That in the case of a corporation, joint-stock company or association, or insurance company, organized, authorized, or existing under the laws of any foreign country, such net income shall be ascertained by deducting from the gross amount of its in-

come accrued within the year from business transacted and capital invested within the United States, (1) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States, including rentals or other payments required to be made as a condition to the continued use or possession of property; (2) all losses actually sustained within the year in business conducted by it within the United States and not compensated by insurance or otherwise, including a reasonable allowance for depreciation by use, wear and tear of property, if any, and in the case of mines a reasonable allowance for depletion of ores and all other natural deposits, not to exceed five per centum of the gross value at the mine of the output for the year for which the computation is made; and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts: Provided further, That mutual fire insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves: Provided further, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them, less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment thereof and the payment thereof, and life insurance companies shall not include as income in any year such portion of any actual premium received from any individual policyholder as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholders, within such year; (3) the amount of interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding the proportion of one-half of the sum of its interest-bearing indebtedness and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year, which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States: Provided, That in the case of bonds or other indebtedness, which have been issued with a guaranty that the interest payable thereon shall be free from taxation, no deduction for the payment of the tax herein imposed shall be allowed; (4) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State of Territory thereof, or the District of Columbia. In the case of assessment insurance companies, whether domestic or foreign, the actual deposit of sums with State or Territorial officers, pursuant to law, as additions

to guarantee or reserve funds shall be treated as being payments required by law to reserve funds.

(c) The tax herein imposed shall be computed upon its entire net income accruing during each preceding calendar year ending December thirty-first: Provided, however, That for the year ending December thirty-first, nineteen hundred and thirteen, said tax shall be imposed upon its entire net income accruing during that portion of said year from March first to December thirty-first, both dates inclusive, to be ascertained by taking five-sixths of its entire net income for said calendar year: Provided further, That any corporation, joint-stock company or association, or insurance company subject to this tax may designate the last day of any month in the year as the day of the closing of its fiscal year and shall be entitled to have the tax payable by it computed upon the basis of the net income ascertained as herein provided for the year ending on the day so designated in the year preceding the date of assessment instead of upon the basis of the net income for the calendar year preceding the date of assessment; and it shall give notice of the day it has thus designated as the closing of the fiscal year to the collector of the district in which its principal business office is located at any time not less than thirty days prior to the date upon which its annual return shall be filed. All corporations, joint-stock companies or associations, and insurance companies subject to the tax herein imposed, computing taxes upon the income of the calendar year, shall, on or before the first day of March, nineteen hundred and fourteen, and the first day of March in each year thereafter, and all corporations, joint-stock companies or associations, and insurance companies, computing taxes upon the income of a fiscal year, which it may designate in the manner hereinbefore provided, shall render a like return within sixty days after the close of its said fiscal year, and within sixty days after the close of its fiscal year in each year thereafter, or in the case of a corporation, joint-stock company or association, or insurance company, organized or existing under the laws of a foreign country, in the place where its principal business is located within the United States, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, shall render a true and accurate return under oath or affirmation of its president, vice-president, or other principal officer, and its treasurer or assistant treasurer, to the collector of internal revenue for the district in which it has its principal place of business, setting forth (1) the total amount of its paid-up capital stock outstanding, or if no capital stock, its capital employed in business, at the close of the year; (2) the total amount of its bonded and other indebtedness at the close of the year; (3) the gross amount of its income, received during such year from all sources, and if organized under the laws of a foreign country the gross amount of its income received within the year from business transacted and capital invested within the United States; (4) the total amount of all its ordinary and necessary expenses paid out of earnings in the maintenance and operation of the business and properties of such corporation, joint-stock company or association, or insurance company within the year, stating separ-

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ately all rentals or other payments required to be made as a condition to the continued use or possession of property, and if organized under the laws of a foreign country the amount so paid in the maintenance and operation of its business within the United States; (5) the total amount of all losses actually sustained during the year and not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts: Provided further, That mutual fire insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves: Provided further, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in the deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment thereof and the payment thereof, and life insurance companies shall not include as income in any year such portion of any actual premiums received from any individual policyholders as shall have been paid back or credited to such individual policyholders, or treated as an abatement of premium of such individual policyholder, within such year; and in case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, all losses actually sustained by it during the year in business conducted by it within the United States, not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts: Provided further, That mutual fire insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders, but shall return as taxable income all income received by them from all other sources plus such portions of the premium deposits as are retained by the companies for purposes other than the payment of losses and expenses and reinsurance reserves: Provided further, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment thereof and the payment thereof, and life insurance companies shall not include as income in any year

such portion of any actual premium received from any individual policyholders as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholder within such year; (6) the amount of interest accrued and paid within the year on its bonded or other indebtedness not exceeding one-half of the sum of its interest-bearing indebtedness and its paid-up capital stock, outstanding at the close of the year, or if no capital stock, the amount of interest paid within the year on an amount of indebtedness not exceeding the amount of capital employed in the business at the close of the year, and in the case of a bank, banking association, or trust company, stating separately all interest paid by it within the year on deposits; or in case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness to an amount of such bonded or other indebtedness not exceeding the proportion of its paid-up capital stock outstanding at the close of the year, or if no capital stock, the amount of capital employed in the business at the close of the year, which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States; (7) the amount paid by it within the year for taxes imposed under the authority of the United States and separately the amount so paid by it for taxes imposed by the Government of any foreign country; (8) the net income of such corporation, joint-stock company or association, or insurance company, after making the deductions in this subsection authorized. All such returns shall as received be submitted forthwith by the collector to the Commissioner of Internal Revenue.

All assessments shall be made and the several corporations, joint-stock companies or associations, and insurance companies, shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said assessment shall be paid on or before the thirtieth day of June: Provided, That every corporation, joint-stock company or association, and insurance company, computing taxes upon the income of the fiscal year, which it may designate in the manner hereinbefore provided, shall pay the taxes due under its assessment within one hundred and twenty days after the date upon which it is required to file its list or return of income for assessment; except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as provided for in this section or by existing law, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint-stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the thirtieth day of June in any year, or after one hundred and twenty days from the date on which the return of income is re-

quired to be made by the taxpayer, and after ten days' notice and demand thereof by the collector, there shall be added the sum of five per centum on the amount of tax unpaid and interest at the rate of one per centum per month upon said tax from the time the same becomes due.

(d) When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the Commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such: Provided, That any and all such returns shall be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President: Provided further, That the proper officers of any State imposing a general income tax may, upon the request of the Governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company, association or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

If any of the corporations, joint-stock companies or associations, or insurance companies aforesaid, shall refuse or neglect to make a return at the time or times hereinbefore specified in each year, or shall render a false or fraudulent return, such corporation, joint-stock company or association, or insurance company, shall be liable to a penalty of not exceeding \$10,000.

H. That the word "State" or "United States" when used in this section shall be construed to include any Territory, Alaska, the District of Columbia, Porto Rico and the Philippine Islands, when such construction is necessary to carry out its provisions. * * *

REGULATIONS.

Every company not specifically exempted must make the return required, whether it has net income liable to tax or not. The law relates to the total net income of American companies, and to the United States business of foreign companies. Blanks may be obtained from collectors of United States Internal Revenue, and failure to receive a blank will not excuse a company from making the required return nor relieve it from penalties for not making such return. New companies and those going into liquidation must make the returns.

The Treasury Department of the United States Government has announced its interpretation of the Federal Income Tax Law upon certain points in relation to the taxation of insurance companies. Commissioner of Internal Revenue R. E. Cabell states that the net addition to reserves required by the law may be the highest amount required by any State in which a company does business. In the case of assessment insurance companies the law requires that actual deposits with State or territorial officers be treated as payments required by law to reserve funds.

The reserves carried by companies to provide for taxes due and payable during the year will not be treated as taxes actually paid. Another point on

which the Commissioner rules treats of amortization of bond valuations. He says: "Where a corporation holds bonds which were purchased at a rate above par and said corporation shall proportionately reduce the value of those bonds on its books each year, so that the book value shall be the redemption value of the bonds when such bonds become due and payable, the return of annual net income of the corporation holding such bonds may show the depreciation on account of amortization of such bonds. The requirement is, however, that the amount carried to the amortization account each year shall be practically proportioned with respect to the difference between the purchase price and the maturing value and the number of years to elapse until the bonds become due and payable."

A decision (in 1915) of the United States Court of Appeals was to the effect that no revenue tax can be collected on funds reserved to meet losses.

On November 1, 1914, a Federal law went into effect which required the attachment of revenue stamps to insurance policies, the clause relating to fire and marine insurance reading as follows: "Insurance (marine, inland, fire): Each policy of insurance or other instrument, by whatever name the same shall be called, by which insurance shall be made or renewed upon property of any description (including rents or profits), whether against peril by sea or on inland waters, or by fire or lightning, or other peril, made by any person, association or corporation, upon the amount of premium charged, one-half of one cent on each dollar or fractional part thereof: *Provided*, That purely co-operative or mutual fire insurance companies carried on by the members thereof solely for the protection of their own property and not for profit shall be exempted from the tax herein provided." As this book went to press, the Democratic members of the Senate Finance Committee had agreed to eliminate from the pending Revenue Bill the requirement of a stamp tax on insurance. This requirement was omitted when the bill passed the House. It is, therefore, anticipated that the stamp tax will cease on January 1, 1917.

STATE FIRE MARSHALS.

Below will be found a list of State and Provincial fire marshals in the United States and Canada:

States.	Fire Marshals.	Addresses	States.	Fire Marshals	Addresses
Alabama.....	Frank Sanford.....	Montgomery	Montana.....	John F. McCormick.....	Helena
British Columbia.....	Ernest F. Gunther.....	Victoria	Nebraska.....	W. S. Ridgell.....	Lincoln
Connecticut.....	Thos. F. Egan.....	Hartford	North Carolina.....	J. R. Young.....	Raleigh
Dist. of Columbia.....	Philip W. Nicholson.....	Washington	North Dakota.....	A. H. Runge.....	Grand Forks
Georgia.....	W. R. Joyner.....	Atlanta	Ohio.....	Bert B. Buckley.....	Columbus
Illinois.....	Walter H. Bennett.....	Springfield	Oklahoma.....	C. C. Hammonds.....	Oklahoma City
Indiana.....	W. E. Longley.....	Indianapolis	Ontario.....	E. P. Heaton.....	Toronto
Iowa.....	O. O. Roe.....	Des Moines	Pennsylvania.....	Chas. D. Wolfe.....	Harrisburg
Kansas.....	Lew T. Hussey.....	Topeka	Saskatchewan.....	John K. Wilson.....	Regina
Kentucky.....	Thomas B. Pannell.....	Lexington	South Carolina.....	B. A. Wharton.....	Cross Hill
Louisiana.....	C. H. Trousdale.....	Monroe	South Dakota.....	S. E. Crans.....	Pierre
Maine.....	E. J. Carter.....	Augusta	Tennessee.....	C. W. Schuyler.....	Nashville
Manitoba.....	A. Lindback.....	Winnipeg	Texas.....	S. W. English.....	Austin
Massachusetts.....	J. H. Whitney.....	Boston	Virginia.....	Jos. Button.....	Richmond
Michigan.....	John T. Winship.....	Lansing	West Virginia.....	John S. Horan.....	Charleston
Minnesota.....	Robt. W. Hargadine.....	St. Paul	Wisconsin.....	M. J. Cleary.....	Madison
Mississippi.....	T. A. Brown.....	Yazoo City			

ADDENDA.

ALABAMA.

JAMES—For each company, \$5, payable January 1.

THOMASTON—We are advised that no agent's license fee is now levied at Thomaston.

FLORIDA.

PINELLAS COUNTY—The city clerk of Tarpon Springs states that the county license fee is \$2.50 per agent.

TARPON SPRINGS—License fee for each agent, \$5.00, payable October 1.

MISSISSIPPI.

RESIDENT AGENTS—In August, 1916, the Insurance Department ruled that the resident agents law contemplated, by the term "resident agent," a licensed agent, residing in Mississippi, and holding the proper commission from the company whose policy he signs.

MISSOURI.


MOUND CITY—We are advised that no license fee is now charged either company or agent at Mound City.

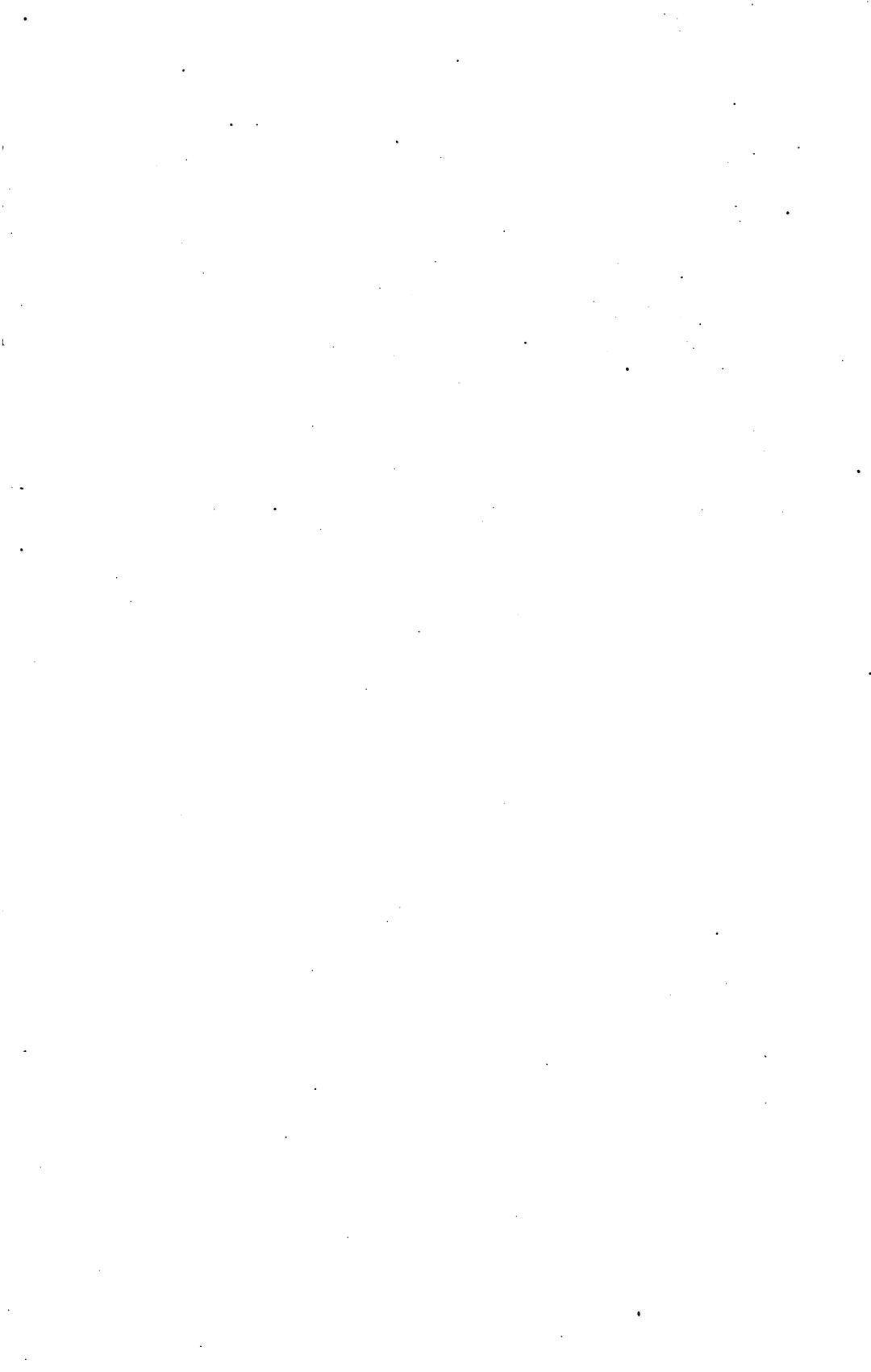
NEW YORK.

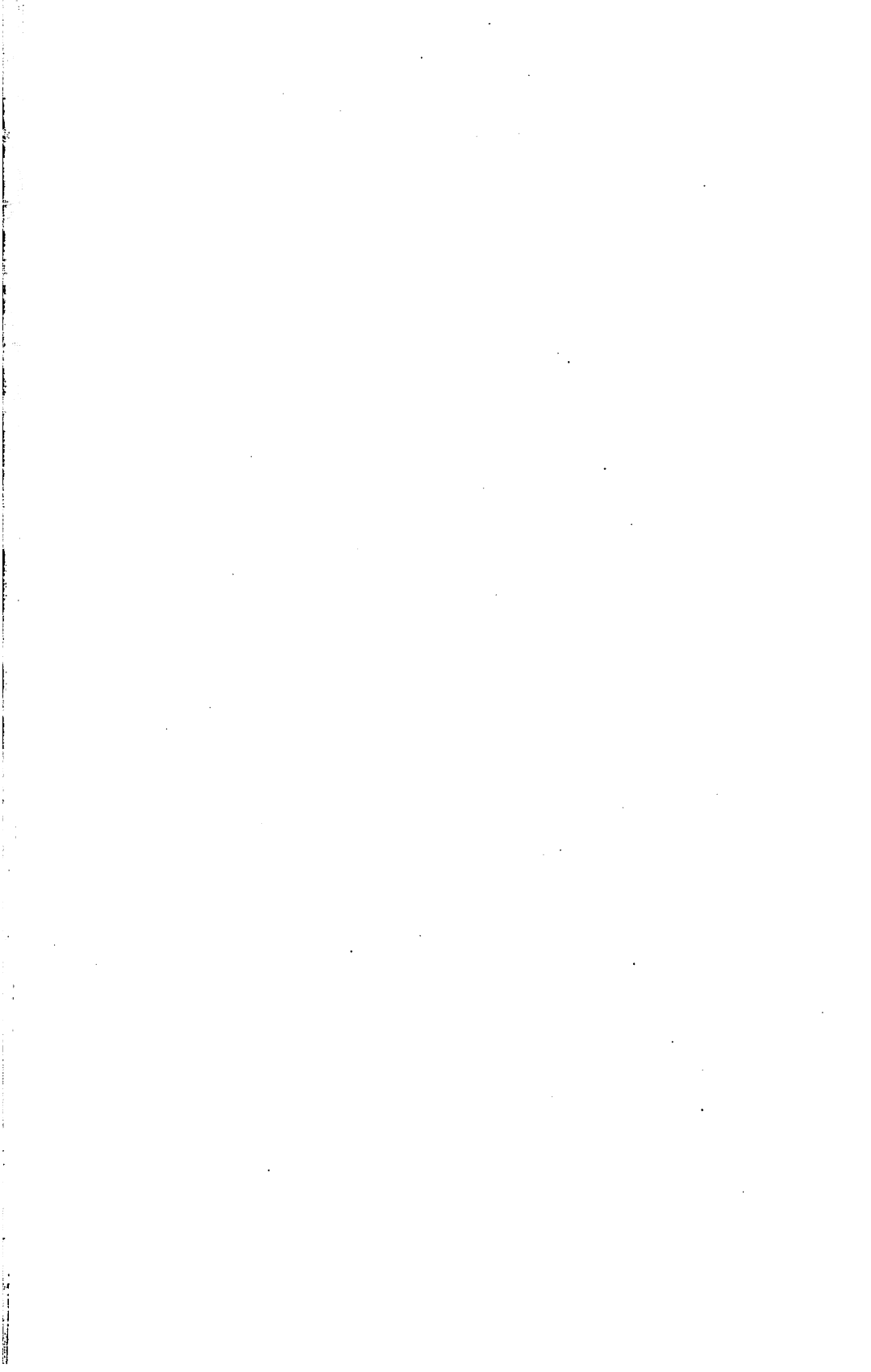
NEW YORK CITY—Fire patrol assessment for last half of 1916 is \$1.10 per \$100 of premiums.

OKLAHOMA.

STANDARD POLICY—The standard policy prescribed by the law of March 25, 1909, is similar to that of New York State. A short or different form of policy may be used for farm or dwelling house property or for tornado insurance, if approved by the State Insurance Board.







REFERENCE DEPARTMENT

taken from the Building

[illegible]

